

**TAWD VALLEY DEVELOPMENTS
SHAREHOLDERS COMMITTEE**

HELD: Monday, 28 March 2022

Start: 7.00 pm

Finish: 9.05 pm

PRESENT:

Councillors: D Westley (Chair)
I Davis (Vice-Chairman) D Whittington
J Wilkie A Yates

In attendance: Councillors Finch, Thompson, Rigby, Owens, Johnson
and Councillors Moran & Upjohn (virtually)

Officers: Chris Twomey, Corporate Director of Transformation & Resources
Heidi McDougall, Corporate Director of Place & Community
Kay Lovelady, Legal & Democratic Services Manager
Jacky Denning, Democratic Services Manager
James Pierce, Head of Finance, Procurement and Commercial
Services
Simon Peet, Corporate Finance Manager (Deputy S151)
Marc Taylor, Investments Project Advisor
Tom Dickinson, Principal Solicitor

1 APOLOGIES

There were no apologies received.

2 MEMBERSHIP OF THE COMMITTEE

There were no changes to the Membership of the Committee.

3 URGENT BUSINESS

There were no urgent items of business.

4 DECLARATIONS OF INTEREST

There were no Declarations of Interest.

5 TERMS OF REFERENCE OF THE COMMITTEE

RESOLVED: That the Terms of Reference approved at Council on 23 February
2022, be noted as follows:

"Functions

- (i) To approve any necessary changes to the Business Plan, if required
- (ii) To monitor and make any necessary decisions (other than to

cease development/progression) in respect of the sites in progress.

- (iii) To communicate the shareholders' views to TVDL
- (iv) To evaluate the effectiveness of the TVDL board and the delivery of performance against strategic objectives and the business plan
- (v) To assess any risks to the council offered by TVDL activities
- (vi) To consider and make any recommendations to Council to implement a phased and controlled wind down of TVDL

Delegations

This Committee shall exercise the full powers, duties and functions of the Council in relation to points (i) to (vi) above, except in the case of the following:

- 1. The final decision to wind down TVDL;
- 2. The decision not to continue with the development/progression of a site that is already in progress;
- 3. Any decision which would result in the Council incurring a cumulative financial loss on any site which is already in progress,

all of which will be a decision of full Council."

6 WORK PROGRAMME / DATES OF FUTURE MEETINGS

RESOLVED: That the next meeting be held on Monday 11 April 2022, subject to the financial information being available for circulation with the agenda.

(Note: this item was dealt with after item 13 on the agenda.)

7 EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph(s) 3 of Part 1 of Schedule 12A of that Act and as, in all the circumstances of the case, the public interest in maintaining the exemption under Schedule 12A outweighs the public interest in disclosing the information.

8 TVD BUSINESS PLAN - CURRENT FORECAST

Consideration was given to the report of the Chief Operating Officer, as contained on pages 3 to 14 of the Book of Reports, which provide an update on the TVDL

Business Plan and the Council's financial position in relation to the Development Company.

Comments and questions were raised in respect of the following:

- TVDL Forecast Financial Performance for 2021/22 (paragraph 5.1, bullet point 2)
- Equity funding / loan funding
- Debarture / Preference Shares
- Financial information required, including profit and loss accounts, cash flow forecast, assets & liabilities and balance sheet
- Working capital requirements
- Auditing of accounts

- RESOLVED: A. That the current TVDL Business Plan position and the Council's interests in the Company, be noted.
- B. That the next meeting to consider the following financial information:
- (i) Actual Profit & Loss Account
 - (ii) Debtors, creditors and Work in Progress listings
 - (iii) Shareholder funds position for the existing approved schemes and those 5 schemes in progress
 - (iv) Balance Sheet
 - (v) 12 month projected cashflow forecast
 - (vi) Actual cashflow of previous 12 months
 - (vii) Accounting policy for stock/WIP
- C. That the issue of debarture / preference shares be considered at a future meeting.

9 DEVELOPMENT SCHEMES IN PROGRESS - APPRAISAL

Consideration was given to the report of the Chief Operating Officer, as contained on pages 21 to 25 of the Book of Reports, which provided details on TVDL development schemes that are in progress but where construction has not yet started, and sought comments and feedback on what should be included in the next version of the TVDL Business Plan.

Comments and questions were raised in respect of:

- Risk assessment
- Tendering of work
- Out of borough sites
- Funding of schemes

RESOLVED: That the report be noted and it be recommended that the following sites detailed in Appendix B to the report be removed from the list of pipeline properties, subject to consideration of a full breakdown of

work in progress costs etc:

- A. Much Hoole
- B. Heswall
- C. Cheshire East
- D. South Ribble
- E. St Helens
- F. Wigan
- G. Warrington
- H. Preston
- I. Liverpool

And consideration of the remaining pipeline schemes, other than those previously approved by Council, be considered when the Committee has been provided with the relevant detailed financial information.

10 PWLB GUIDANCE & CIPFA PRUDENTIAL CODE NOTE

Consideration was given to the report of the Chief Operating Officer, as contained on pages 45 to 56, which provided an overview of the PWLB Borrowing Guidance (Aug 2021) and CIPFA Prudential Code (Dec 2021) and Guidance Notes (Jan 2022) in response to the queries raised at Full Council from the Local Partnerships Independent Review of the TAWD Valley Development Company.

Reference was made particularly to paragraph 6.6 of the report.

RESOLVED: That the review, interpretation and the requirement for further clarifications, of the PWLB Borrowing Guidance (Aug 2021) and CIPFA Prudential Code (Dec 2021) and Guidance Notes (Jan 2022) be noted.

(Note: This item was considered prior to item 8 on the agenda.)

11 INDEPENDENT REVIEW - RESPONSES TO LOCAL PARTNERSHIPS REPORT RECOMMENDATIONS

Consideration was given to the revised Appendix 2 document approved by Council on 23 February 2022, as contained on pages 15 to 20 of the Book of Reports.

RESOLVED: That in respect of the following paragraphs listed in Appendix 2 'Proposed responses to Local Partnerships Report Recommendations:

- 1. That a report be brought back to Committee
- 5. Needs to be addressed as quickly as possible.
- 6. Consideration be given to repayment of excess funds.
- 7. To be considered as soon as possible
- 11. That a report be submitted to a future meeting.

12. It be noted that the Head of Finance, Procurement and Commercial Services, has resigned from the TVD Board.
13. Not required.

12 LEGAL ADVICE

The Legal & Democratic Services Manager advised that independent external legal advice would be sought once the future of the company and the overarching principles are known.

RESOLVED: That the update be noted.

13 HUMAN RESOURCES

The Committee received a presentation from the Corporate Director of Transformation and Resources, as contained on pages 57 to 62 of the Book of Reports, which advised on the TVD management structure, contractual considerations, programme delivery options and resource retention options and recommendation.

Comments and questions were also raised in respect of the following:

- That the Head of Finance at TVD has sought alternative employment
- Issues around TUPE
- Recruitment issues for specialist work
- More detailed analysis would be required to understand what resource is required, which would be made clearer when the purpose and what schemes TVD will be progressing is identified.

RESOLVED: That the update be noted.

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Chairman