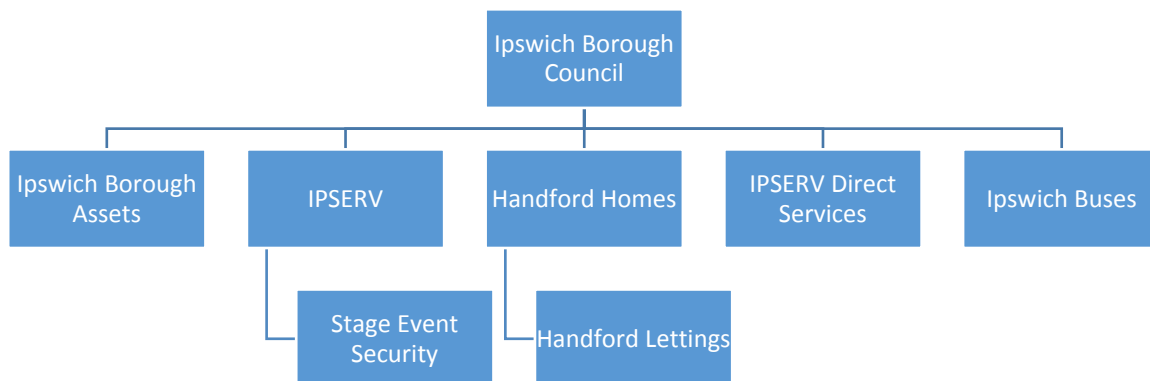


## Appendix 1 – Governance Arrangements for Wholly owned companies

Ipswich Borough Council is the sole shareholder for five companies:

- Ipswich Borough Assets Ltd, incorporated on 7 April 2016 with company number 10110518
- Ipserv Ltd, incorporated on 22 February 2017 with company number 10633959
- Handford Homes Ltd, incorporated on 12 July 2017 with company number 10862462
- Ipserv Direct Services Ltd, incorporated on 18 December 2018 with company number 11732887
- Ipswich Buses Ltd, incorporated on 14 March 1986 with company number 02000058

These five companies, together with their two subsidiaries (Handford Lettings Ltd (company number 11655369) and Stage Event Security Ltd (company number 08700416) and the Council itself form the Ipswich Borough Council Group. The structure of the Group is shown in the chart below.



Each of the Companies owned by the Council have one shareholder, Ipswich Borough Council. Under the Local Government Act 2003 and the Localism Act 2011, the shareholder is the Executive. The Leader of the Council has the companies within his portfolio of responsibilities.

Ipswich Buses was incorporated in response to the 1985 Public Transport Act. It has a board of seven directors, including two independent, two councillors and the Managing Director. The remaining places are taken by two suitably qualified Council Heads of Service.

All the Companies have Articles which comply with the 2006 Companies Act and matters which Executive decided to reserve to themselves, or to their officer representative – the Council’s Head of People and Governance. Each company’s reserved matters are set out in Annex 1. Each company is required to provide Executive with its business plan and annual report. There are also formal

agreements in place between the Council and the companies and between the companies.

At various points, Executive has authorised Council Officers to make decisions in relation to the companies. Those decisions made up to February 2019 are listed below, together with the report reference for the authorisation:

Delegation	Exec Report
<p>Authorise the Chief Operating Officer in consultation with the Chief Executive, Chief Finance Officer, the Legal Services Operations Manager, the Leader of the Council and Finance Portfolio Holder to take all necessary steps to (i) incorporate a company limited by share wholly owned by the Council so as to allow the Council to exercise the power to trade contained in the Local Government Act 2003 and the Localism Act 2011; (ii) determine detailed arrangements for the management and governance of the Company to include settling the Articles and Memorandum of Association and appointing directors as detailed in this report; (iii) enter into Agreements with the Company which allow the Council to recover all costs associated with supporting the Company;</p> <p>Approve the draft Working Capital Loan Agreement set out in Appendix 2 and authorise the Chief Operating Officer, the Leader of the Council and Finance Portfolio Holder to conclude the Working Capital Loan Agreement with the Company with such minor modifications as the Chief Operating Officer deems appropriate;</p> <p>Authorise the Chief Finance Officer in consultation with the Leader of the Council and the Finance Portfolio Holder to take all necessary steps to provide for and enter into loan facilities to the Company as may be required as detailed in this report namely the Working Capital Loan Agreement and any Capital Funding Loan Agreement(s)</p>	<p>E/15/76 (Mar 2016) IBA</p>
<p>Approve the draft Working Capital Loan Agreement set out in Appendix 2 and authorise the Chief Operating Officer, in consultation with the Chief Executive, Chief Finance Officer, the Leader of the Council and Finance Portfolio Holder, to conclude the Working Capital Loan Agreement with the Company with such minor modifications as the Chief Operating Officer deems appropriate;</p> <p>Authorise the Chief Finance Officer, in consultation with the Leader of the Council and the Finance Portfolio Holder, to take all necessary steps to provide for and enter into loan facilities to the Company as may be required as detailed in this report namely the Working Capital Loan Agreements and any Capital Funding Loan Agreement(s).</p>	<p>E/16/48 (Jan 2017) IPSERV</p>

<p>Approve the draft Working Capital Loan Agreement set out in Appendix 2 and authorise the Chief Operating Officer, in consultation with the Chief Executive, Chief Finance Officer, the Leader of the Council and Finance Portfolio Holder, to conclude the Working Capital Loan Agreement with the Company with such minor modifications as the Chief Operating Officer deems appropriate;</p> <p>Authorise the Chief Finance Officer, in consultation with the Leader of the Council and the Finance Portfolio Holder, to take all necessary steps to provide for and enter into loan facilities to the Company as may be required as detailed in this report namely the Working Capital Loan Agreements and any Capital Funding Loan Agreement(s).</p>	<p>E/17/15 (Jun 2017) Handford Homes</p>
<p>(a) Approve the Business Case for incorporating IPSERV Direct Services Limited as set out in this report and its appendices.</p> <p>(b) Subject to a) above, approve the direct award of the Council's cleaning contract to IPSERV Direct Services Limited effective 1<sup>st</sup> April 2019</p> <p>(c) Subject to a) above, approve the direct award of the Council's security contract to IPSERV Direct Services Limited effective 1<sup>st</sup> April 2019</p> <p>(d) Subject to b) authorises the Head of People and Governance to enter into contract with Norse Group for the provision of cleaning services until and including 31<sup>st</sup> March 2019 on such terms as she see fit, providing such terms are within budget</p> <p>(e) Subject to c) authorises the Head of People and Governance to extend the existing security contracts with Norse Group and Oak Park Security until and including 31<sup>st</sup> March 2019</p> <p>(f) Subject to a), b), and c) authorise the Chief Operating Officer to take all necessary steps to incorporate and set up IPSERV Direct Services Limited and transfer provision of cleaning and security contracts to IPSERV Direct Services Limited; ensuring that the Resources Portfolio Holder and Head of Finance and Revenues are consulted on the financial elements of the contracts.</p> <p>(g) Authorise the Head of Finance and Revenues to enter into a working capital loan agreement with IPSERV Direct Services Limited on such terms as he sees fit in consultation with the Resources Portfolio Holder.</p>	<p>E/18/42 (Nov 2018) IPSERV Direct Services</p>
<p>That Executive approves the Delegation and Reserved Matters Scheme as appended to this report</p>	<p>E/16/25 (Sept 2016) IBA</p>
<p>15.1 That Executive agrees the proposed Articles for Ipswich Buses Ltd at Appendix 1 and authorises the Chief Executive to</p>	<p>E/16/66 (Mar 2017)</p>

<p>take all necessary steps to require adoption of the articles as detailed in this report.</p> <p>15.2 That, subject to adoption of the Articles referred to in 15.1, Executive authorises the Chief Executive to adopt the Reserved Matters for Ipswich Buses Ltd as set out in Appendix 2 of this report and inform the Board of Ipswich Buses Ltd of these Reserved Matters.</p>	<p>IBL</p>
<p>15.5 That Executive confirms the authorisation in E/16/48 (recommendation 13.1.c.ii) to the Chief Operating Officer to enable her to amend the model Articles for IPSERV Ltd as necessary.</p> <p>15.6 That, subject to adoption of the Articles referred to in 15.5, Executive authorises the Chief Operating Officer to adopt the Reserved Matters for IPSERV Ltd as set out in Appendix 3 of this report and inform the Board of IPSERV Ltd of these Reserved Matters.</p> <p>15.7 That Executive authorises the Chief Operating Officer to request each Board to complete a skills audit and provide the shareholder with an annual report and forward strategy each year as detailed in this report.</p> <p>15.8 That Executive authorises the Chief Operating Officer to liaise with all Boards as appropriate with regard to future arrangements for the employment / contracting of a Finance Director and Company Secretary for all the Companies.</p>	<p>E/16/66 (Mar 2017) IPSERV</p>
<p>Approve the Reserved Matters as set out in Appendix 4.</p>	<p>E/17/15 (Jun 2017) Handford Homes</p>
<p>That Executive authorises the Shareholder's representative for each company to authorise amendments to the Schemes of Delegation in consultation with the Leader of the Council.</p> <p>That Executive authorises the Shareholder's representative for each wholly owned company to take reserved matters decisions on their behalf during any period where Executive does not meet for more than 28 days; with such decisions being reported to the first available Executive meeting</p>	<p>E/17/88 (Mar 2018)</p>

<p>13.1 That Executive authorises Ipswich Buses Ltd to borrow funds to replace 14 aging double decked buses.</p> <p>13.2 That Executive authorises the Head of Finance and Revenues to lend £1.12m to Ipswich Buses Ltd on such terms as he sees fit (and comply with State Aid) in consultation with the Leader and Portfolio Holder for Finance.</p> <p>13.3 That subject to 13.1 and 13.2, Executive authorises the Head of Finance and Revenues to add £1.12m to the 2017/18 Capital Programme to be met from internal borrowing.</p>	<p>E/17/24 (Jul 2017) IBL</p>
<p>13.3 That Executive directs, using its powers contained in the Articles for each company, that Handford Homes Ltd, IPSEV Ltd and Ipswich Borough Assets Ltd appoint Helen Pluck as their interim Managing Director.</p> <p>13.4 That Executive, as shareholder, changes its representative to Shirley Jarlett for all matters which fall to the Shareholder's Representative within the companies' governance frameworks.</p>	<p>E/18/17 (Jul 2018)</p>

### Reserved Matters Schemes

The table below shows the reserved matters for each company and whether they are reserved to the Executive or to the Shareholder's representative.

	Reserved Matters	HANDFORD HOMES		IBA		IPSERV		IBL		IPSERV DIRECT SERVICES	
		Delegated Officer Approval	Executive Approval	Delegated Officer Approval	Executive Approval	Delegated Officer Approval	Executive Approval	Delegated Officer Approval	Executive Approval	Delegated Officer Approval	Executive Approval
1.	The presentation of any petition or passing of any resolution for winding-up of the Company, the service of notice of intention to appoint an administrator in respect of the Company, the appointment of an administrator of the Company by the holder of a qualifying floating charge, the Company or the directors of the Company or the presentation of a petition for an administration order in respect of the Company.		X		X		X		X		X
2.	The creation, allotment or issue of any shares or the grant or agreement to grant any option over shares or any uncalled capital of the Company or the issue of any obligations convertible into shares.		X		X		X		X		X
3.	The admission of any person (whether by subscription or transfer) as a member of the Company.		X		X		X		X		X
4.	The borrowing of any money from any person * or any change in the banking arrangements or facilities (including change in bank mandates) of the Company. ** *BUSES: UP TO A MAXIMUM FINANCIAL LIMIT OF £500,000  ** BUSES: THE BORROWING OF ANY MONEY FROM ANY PERSON OF A SUM GREATER THAN £500,000	X		X		X		X		X	

	<b>Reserved Matters</b>	<b>HANDFORD HOMES</b>		<b>IBA</b>		<b>IPSERV</b>		<b>IBL</b>		<b>IPSERV DIRECT SERVICES</b>	
		Delegated Officer Approval	Executive Approval	Delegated Officer Approval	Executive Approval	Delegated Officer Approval	Executive Approval	Delegated Officer Approval	Executive Approval	Delegated Officer Approval	Executive Approval
5.	The giving of any guarantee, indemnity or other security outside the ordinary course of business.	X		X		X		X		X	
6.	The creation of any mortgage, charge, lien (other than a lien arising in the ordinary course of trading) or encumbrance on any assets or the granting of an option to acquire any assets.	X		X		X		X		X	
7.	The lending of any money (otherwise than by way of deposit with a bank or other institution in the United Kingdom the normal business of which includes the acceptance of deposits or the granting of credit to any person).	X		X		X		X		X	
8.	The declaration or payment of any dividend or the making of any distribution.	X		X		X		-	X	X	
9.	The formation or acquisition of any subsidiary of the Company.		X		X		X		X		X
10.	The acquisition by the Company of any shares or other interests in any other company or the participation by the Company in any partnership or joint venture.		X		X		X		X		X
11.	The amalgamation or merger of the Company with any other company or legal entity.		X		X		X		X		X

		HANDFORD HOMES		IBA		IPSERV		IBL		IPSERV DIRECT SERVICES	
<b>Reserved Matters</b>		Delegated Officer Approval	Executive Approval	Delegated Officer Approval	Executive Approval	Delegated Officer Approval	Executive Approval	Delegated Officer Approval	Executive Approval	Delegated Officer Approval	Executive Approval
12.	The fixing or payment of the remuneration of any Director or provision of benefits of any nature whatsoever to any Director, former Director or any associate of any Director or former Director.		X		X		X	X			X
13.	Any material change in the nature or scope of the business of the Company or the commencement of any new business not being ancillary or incidental to such business.		X		X		X		X		X
14.	The entry into any contract or arrangement (whether legally binding or not) otherwise than on arm's-length market terms.	X		X		X		X		X	
15.	The making of any claim, disclaimer, surrender, election or consent of a material nature for tax purposes.	X		X		X		X		X	
16.	The factoring or assignment of any of the book debts or the Company.	X		X		X		X		X	
17.	The entering into of any contract or arrangement of a material nature outside the normal course of business including, without limitation, the disposal of a material part of the business or undertaking of the Company or a contract or arrangement which cannot be terminated by the Company without penalty or compensation within 12 months of its commencement.	X		X		X		X		X	



	<b>Reserved Matters</b>	<b>HANDFORD HOMES</b>		<b>IBA</b>		<b>IPSERV</b>		<b>IBL</b>		<b>IPSERV DIRECT SERVICES</b>	
		Delegated Officer Approval	Executive Approval	Delegated Officer Approval	Executive Approval	Delegated Officer Approval	Executive Approval	Delegated Officer Approval	Executive Approval	Delegated Officer Approval	Executive Approval
18.	The commencement, settlement or compromise of any material legal dispute or proceeding to which the Company is a party (other than routine debt collection).	X		X		X		X		X	
19.	a) The appointment or removal or any change in the scope of authority of any director who is also a Councillor		X		X		X		X		X
	b) The appointment or removal or any change in the scope of authority of any director who is not also a Councillor or of a senior officer of the Company.	X		X		X		X		X	
20.	Any change of the accounting reference date of the Company or a material change to its accounting policies.	X		X		X		X		X	
21.	Any change of auditors of the Company.	X		X		X		X		X	
22.	Any delegation by the directors of any of their powers to a committee of directors.	X		X		X		X		X	
23.	Any delegation by the directors of any of their powers to any other person other than to a committee of directors.		X		X		X		X		X

1. Approval of the Executive may be given in writing by a person delegated by the Executive or by a person(s) delegated by the Executive to attend and vote at a Board meeting of the Company.
2. Approval of the Delegated Officer may be given in writing (having consulted with Chief Finance Officer and the Leader and Finance Portfolio Holder) or by the Delegated Officer attending and voting at a Board meeting of the Company.
3. With the exception of the Reserved Matters, the Business and all affairs of the Company shall be managed by the Board. To that end but subject always to the Reserved Matters, the Board shall have full and complete authority, power and discretion to direct, manage and control the Business and the affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incidental to the management of the Business.

**Authority in the Company's Articles of Association to impose restrictions on the powers of the Directors**

Article 54 of the Company's Articles of Association, sets out that whenever IBC, or any subsidiary of IBC, shall be the holder of any issued ordinary shares of the Company, it may impose restrictions on all or any of the powers of the directors to such extent as IBC may by notice prescribe. Further to Article 54, Executive has agreed that all Reserved Matters (set out above) relating to the Company shall only be effective if duly approved by Executive or the Delegated Officer as indicated.