

## Slough Borough Council

<b>Report To:</b>	Cabinet Committee
<b>Date:</b>	11 December 2025
<b>Subject:</b>	Companies Governance Update
<b>Lead Member:</b>	Cllr Dexter Smith – Leader and Lead Member for Governance and Strategy
<b>Chief Officer:</b>	Sukdave Ghuman – Director of Law and Governance Monitoring Officer Ian O'Donnell – Executive Director Corporate Resources
<b>Contact Officer:</b>	Sarah Wilson – Assistant Director Legal and Governance, HB Public Law Vicki Palazon – Finance Consultant (FIP and Companies)
<b>Ward(s):</b>	ALL
<b>Key Decision:</b>	NO
<b>Exempt:</b>	NO - Public
<b>Decision Subject To Call In:</b>	NO
<b>Appendices:</b>	Appendix 1 – Position Statement per Company

### 1. Summary and Recommendations

1.1 This report provides a status update on the necessary improvements required to company governance as highlighted in internal and external reviews, including the Section 24 statutory recommendation on poor performance, oversight and financial reporting in relation to the Council's group accounts and group relationships as published by Grant Thornton report on 9 May 2021 and key recommendation from March 2024.

#### Recommendations:

Cabinet Committee is recommended to note:

- a) the improvements made to overall Shareholder oversight on company governance and the improvements within each company including the next steps each company is undertaking;
- b) that a separate report is presented on James Elliman Homes Limited;
- c) that JEH and Ground Rent Estates 5 Limited both require continuing limited financial support from the Council as sole Shareholder for at least 12 months from the date of approval of the statutory financial statements for the year ended 31 March 2024 and will be a requirement for year ended 31 March 2025;

- d) Consent to changes to the bank mandate for JEH, removing the previous Directors and including the current Director and the Finance Director (Corporate and Commercial) to ensure that the bank requires two signatories to transact;
- e) Acknowledge the appointment of two Directors to GRE 5 and the removal to the two Directors who have resigned; and
- f) Consent to changes to the bank mandate, removing the previous Directors and adding the new Directors.

**Reason:**

The Council is aware of a need to improve its governance of its group entities, following external reviews and its own internal reviews and audits identifying issues and risks that need addressing. The Cabinet Committee is responsible for considering the case for each of the Council's companies (excluding Slough Children First, which is set up under direction of the Department for Education), to ensure directors are appropriately skilled and the Board functions under approved agreements and with an appointed shareholder representative, to approve key changes in governance, direct the shareholder representative as appropriate and receive performance reports. If a decision is made not to continue to operate a company in its current form, the Committee is responsible for overseeing any plans to internalise, close or sell the entity.

**Commissioner Review**

"Commissioners have noted the contents of this report and the necessity for the Council to allocate sufficient, skilled personnel to ensure regulatory and agreed-upon reporting deadlines are consistently met, and that the Council continue to improve reporting openness and transparency. The committees, shareholder panel and shareholder representatives with delegated responsibilities, need to actively strengthen the oversight of shareholdings which the Council wholly owns or in which it has a material interest, and further contribute to the development of an effective control environment."

**2. Report**

- 2.1 Cabinet Committee were previously provided a company update during their meeting on 12 September 2024 which also outlined the legal structures of companies and the roles and responsibilities for company directors alongside a desktop review of entities that the council had an interest in. Separate reports have been presented to Cabinet and the Cabinet Committee on individual entities.
- 2.2 This report only provides an update on subsidiary companies. Separate reports will be required for Development Initiative for Slough homes Ltd (DISH) and Slough Urban Renewal. The former is not owned by the Council and the arrangement is a leasing one from the Council to the company and therefore decisions should focus on what happens before the current lease term ends on 27 January 2027. The latter is a Joint Venture and the majority of optioned sites have now been disposed of. The direction of travel is to exit the arrangements and ensure any liabilities remaining on the Council's Balance Sheet are discharged.

## Options considered

Option	Description
1. Do nothing, provide no companies governance update	<p>Elected members have received periodic updates on the council's group entities since September 2024 but have not been provided with an overview of progress made collectively on these entities.</p> <p><b>This option is not recommended</b></p>
2. Provide companies governance update	<p>This option allows elected members to be provided an update on the progress made in improving governance within its group entities and understand next steps.</p>

## Overview of progress on company governance

- 2.3 In May 2025, Council approved a new Council Owned / Controlled Entities Protocol for inclusion within the council's constitution. This sets out a framework for internal and formal governance for management of wholly or partly owned companies, as well as guidance on management of conflicts of interest and the role of the Council's senior responsible officer (shareholder or member representative).
- 2.4 An officer Shareholder panel was established with agreed Terms of Reference during its first meeting in April 2025, subsequent meetings held in September and October 2025 with quarterly scheduled meetings now diarised commencing November 2025. The purpose of the Shareholder panel is to provide officer oversight of all entities which the council has an interest in, act as a liaison between the company and council and review, evaluate and challenge company and board performance to gain assurance that the entities strategic aims and objectives are being met and remain aligned to the council. Regular reporting to the Cabinet Committee is to be scheduled.
- 2.5 Updates on company governance and risk management are also reported quarterly to Audit and Corporate Governance Committee through the council's Annual Governance Statement action plan and corporate risk register. An external audit statutory recommendation remains in situ and a work in progress to discharge. The most recent update is contained within the published external auditors interim annual report and recognises there is still work to complete including ensuring that JEH file their accounts timely and the future strategic direction of the company.
- 2.6 Overall, there remains positive progress across all companies with Appendix 1 – Position Statement per Company providing a more detailed overview. The next table provides an overall summary by company comparing the September 2024 update to this update. The criteria used to assess the activity themes aligns to good governance in companies and not an assessment against business and financial performance and risks being managed currently within each company.

Activity	JEH		GRE 5		SCF	
	Sep 24	Nov 25	Sep 24	Nov 25	Sep 24	Nov 25
Company Governance	●	●	●	●	●	●
Oversight and Performance	●	●	●	●	●	●
Financial Governance	●	●	●	●	●	●

- To be reviewed
- High risk - Exposes council to significant risk on company governance assurance
- Medium risk - Further action required to complete governance assurance
- Complete - Appropriate governance assurance

2.7 There remains a need for both the Shareholder and the companies to act commercially and use performance metrics to measure the success of each company.

2.8 The remainder of the report provides committee members with a summary update for each company and decisions required under each company's governance including next steps.

#### **James Elliman Homes Limited (“JEH”) – Company No. 10603870**

2.9 Over the past year, significant activity has been completed or continuing to progress to remedy the weaknesses in governance and oversight. This includes:

- a) External legal advice was sought by the council as Shareholder covering a range of matters including but not limited to governance, accounts filing, loan security, VAT and financial compliance and property leases;
- b) External legal advisors delivered a governance workshop on 22 July 2025 attended by council officers including the Shareholder representative and the company Director. This workshop covered the roles and responsibilities, conflict of interests and operational matters;
- c) All company filings are up to date now on Companies House which includes the filing of 2023/24 accounts. Regarding the 2023/24 accounts, for the company to meet its going concern requirements, the council as sole Shareholder provides continuing limited financial support from the Council as sole Shareholder for at least 12 months from the date of approval of the statutory financial statements for the year ended 31 March 2024. The company also submitted a restated position for 2022/23 accounts;
- d) The 2024/25 audit is underway and expected to be completed and filed by the statutory deadline of 31 December 2025;
- e) Securing the £51.7m loan to the company by registering a debenture with Companies House in 19 May 2025. The debenture has a two year hardening period from registration. The loans are currently due to be repaid In October 2028 and October 2029. The current company business plan does not provide consideration of how the loan will be repaid. The loan repayment and hardening period will need to be considered as part of the future operating model for the company;
- f) JEH now have dedicated company secretary support; and

g) The company are not fully compliant with the terms and conditions set out in the letter of continuing support or the special resolution issued in the summer of 2024. The non-compliance is shown on the separate JEH company update report on this agenda. This is now reported through the Shareholder panel and will be a consideration as part of providing continuing support for the next 12 months.

A separate report is on the agenda for JEH setting out matters that require approval, including new draft articles of association contained detailed reserved matters. This sets out an expectation on board composition, however some improvements to governance need to be informed by a Council commissioned options appraisal to inform an updated business case on the rationale for maintaining JEH in its current form.

## 2.10 Next steps include

- a) The external consultancy with housing and public sector experience concludes the future options for the company;
- b) Reviewing board composition;
- c) Delivery of a Board approved business plan for 2026/27 for Shareholder approval;
- d) Separation of roles and responsibilities including conflicts of interest are still to be addressed;
- e) Completion of the actions required by the Special Resolutions issued by the Shareholder to the company;
- f) Providing updates to the Shareholder panel to enable regular reporting to the Cabinet Committee;
- g) The loan agreement split between equity and debt needs addressing;
- h) The company need to put in place external finance / bookkeeping support; and
- i) Annual compliance and assurance statement needs implementing.

## **Ground Rent Estates 5 (“GRE 5”) – Company No. 05997934**

2.11 This section provides an update on GRE 5 including an update against the approved business plan.

- a) All company filings are up to date on Companies House. Regarding the 2023/24 accounts, for the company to meet its going concern requirements, the council as sole Shareholder provides continuing limited financial support from the Council as sole Shareholder for at least 12 months from the date of approval of the statutory financial statements for the year ended 31 March 2024;
- b) The 2024/25 audit is underway. The statutory deadline to file the accounts is 31 December 2025 unless an extension is required. There remains a dependency on ensuring that Directors are registered at Companies House so that the accounts can be approved and filed;
- c) The two newly appointed Directors have not yet been registered on Companies House and is pending their final confirmation that they are content with the terms of appointment including Director indemnity;
- d) Performance against the approved business plan continues to be monitored with the cladding and structural works now practically completed with the 12 month defect period underway. The recently appointed Directors are assessing the warranties and liabilities for defects including finalising the grant claim from Homes England. The Directors will also conclude the activity to recover monies from the leaseholders. This will then enable the company to understand its liabilities and ability to repay the loan to the council;

- e) The core strategic outcomes for tenant safety, building condition, service to tenants and leaseholders, stakeholder management, shareholder interest and exit strategy have largely been advanced with further work required on financial exposure and exit strategy;
- f) The leaseholders have voted and implemented a Right to Manage arrangement which came into effect July 2025. The Directors are seeking legal advice to confirm verification of 50% qualifying support under Section 84 of the Commonhold and Leasehold Reform Act 2002 to ensure that no valid objections can unwind the transfer. Following consideration of the legal advice a subsequent report will follow re the Right to Manage.

2.12 Matters requiring consent of the Shareholder:

- a) Under the Articles of Association, the appointment and removal of Directors is a matter for the Shareholder made in writing to the company. Under the Government issued Directions the Commissioners can exercise the function to appoint and dismiss Directors although provided guidance on the appointment of GRE 5 Directors. Two new Directors have been appointed and relevant filings due to be made to Companies House which also includes removal of two previous Directors that resigned. During the time between the final Director resignation and appointment of new Directors, the company has made no decisions;
- b) Under the existing executed Shareholder agreement, changes to the bank mandate require the consent of the Shareholder. The Shareholder representative changed to Peter Hopkins during the Shareholder Panel meeting held on 3 September 2025. Consent was provided by Peter Hopkins, as the Council's shareholder representative and is reported to this committee for noting. The effect of this is to remove existing Directors from the bank mandate and add the two appointed Directors;

2.13 Next steps include

- a) Delivery of a Board approved business plan for 2026/27 for Shareholder approval in January 2026;
- b) Board meetings have not happened in the interim between Director resignations and appointments and the new directors need to be fully onboarded;
- c) The company / council need to put in place a Service Level Agreement to formalise the provision of banking services and procurement of insurance on behalf of the company or seek alternative arrangements. This extends to other support services and contracts that should be entered into that present value for money for the company; and
- d) Annual compliance and assurance statement needs implementing.

**Slough Children First (“SCF”) – Company No. 09487106**

2.14 This section provides an update on SCF including an update against the approved business plan. There is a separate report to Cabinet seeking approval of SCF's business plan and a previous update to Cabinet in September on governance matters. Therefore, this update does not seek to replicate those reports.

- a) The company provided their [annual report 2024/25](#) to the council's Cabinet in September 2025. The report provides a detailed overview of progress made

within the company on company performance, demand and factors affecting the nature of the company, results of audits and surveys; financial performance, risk management and outcomes of any regulatory inspections;

- b) The accompanying [report](#) to the annual report also outlines review undertaken by Mutual Ventures and next steps;
- c) The company remains under the direction of the Secretary State for Education and in accordance with a service delivery contract (SDC) between SCF and the Council. The company is working on integration with the Shareholder panel, whilst maintaining separate contract management arrangements to reflect the nature of the services; and
- d) The Council is in discussion with the Department for Education on extension of the service delivery contract and changes to the board composition and appointments.

2.15 Next steps include

- a) Approval of the 2026/27 business plan is expected to be approved by Cabinet in December 2025;
- b) Complete action in relation to updating the Articles of Association, and a draft has been produced but is waiting agreement on the new board composition; and
- c) Annual compliance and assurance statement needs implementing.

### 3. Implications of the Recommendation

#### 3.1 Financial implications

- 3.1.1 The council has a role as sole Shareholder for JEH, GRE5 and SCF but also acts as a lender to each company with executed loan agreements in place.
- 3.1.2 The Shareholder information and financial performance based on the latest filed accounts at Companies House. It is worth noting that both James Elliman Homes Limited and Ground Rent Estates 5 Limited require continuing limited financial support from the Council as sole Shareholder for at least 12 months from the date of approval of the statutory financial statements for the year ended 31 March 2024.
- 3.1.3 All companies are due to file their statutory accounts for year ended 31 March 2025 to Companies House by 31 December 2025.

	<b>JEH</b>	<b>GRE5</b>	<b>SCF</b>
Council Interest	Company limited by shares 100% shareholder	Company limited by shares 100% shareholder	Company limited by guarantee – wholly owned by the Council since 2021
Share Capital (£1.00 per ordinary share)	1.00	455,001.00	

2023/24 Accounts	JEH (Filed) £m	GRE5 (Filed) £m	SCF (Filed) £m
Profit / (Loss) for Year	-2.4	-2.0	5.3
Retained Loss b/f	-7.9	-2.0	-5.3
Retained Profit / (Loss) c/f	-10.3	-4.0	0.0

<b>Balance Sheet:</b>			
Current assets/(liabilities)	51.6	-3.0	5.1
Net assets/(liabilities)	-1.1	-3.1	-2.2
Profit and loss reserve	-10.3	-4.0	0.0
Council loan on company B/S	51.7	2.2	0.0

3.1.4 The executed loan agreement for JEH is to be reviewed as part of the future options for the company. The agreement is as executed is for a 60%/40% debt/equity split. This has not been treated this way by either the company or the council. In accordance with accounting practice, the council have set aside £10.1m for minimum revenue provision as at March 2024.

3.1.5 For GRE5, in their 2023/24 accounts has negative equity of £3.1m, however there have been claims submitted to Homes England to recover some of that loss. The Council has exposure to non-repayment of loans. The Council reviewed the latest business plan for GRE5, and it was approved by the Council's Cabinet in November 2024. That showed a risk exposure to the Council of £1.9m to £2.8m. Some minimum revenue provision has been set aside for the loans. A revised business plan is expected to be reviewed by Cabinet.

3.1.6 For SCF, the company repaid their loan during 2024/25 and have a revolving working capital loan arrangement with the council from 2025/26. To date, the company have managed their cashflow and liabilities and therefore not drawn down on the agreement.

### 3.2 Legal implications

3.2.1 The council has various powers to set up and have an ownership role in companies. The power will depend on the functions to be provided by the company. For instance, Slough Children First delivers statutory children's social care functions in accordance with a direction of the Secretary of State for Education.

3.2.2 To meet its best value duty, the Council should ensure it has good governance arrangements in place for its companies, including making sure they are supporting the Council to meet its strategic priorities. The guidance on best value standards and intervention state that a well-functioning authority should have the following:

- Proper member oversight (as shareholders) of companies and partnership bodies, in accordance with the [Local Authority Company Review Guidance](#), and their existence is regularly and independently reviewed.
- The purposes of companies are carefully considered and regularly reviewed, with effective governance and oversight arrangements in place.

- Effective risk management arrangements to consider the risks arising from companies

3.2.3 Under the Directions issued by Government on 20 November 2024, the functions to be exercised by the Commissioners include all functions to relating to the appointment and dismissal of persons to positions of directors of council companies (except Slough Children First). Following a recruitment exercise, the commissioners have endorsed the appointment of the two new Directors.

### 3.3 Risk management implications

3.3.1 The council's corporate risk register includes the risk CR14 – Failure of council subsidiary companies for JEH and GRE5. The latest position for Q2 2025/26 was presented to Audit and Corporate Governance Committee and summarised below. The full detail on the risk can be seen on pages 67 – 71 of the [report](#).

Ref	Risk title	Change in period / outlook	Management Review/ Explanation of movement
14.01	JEH - Failure of the company resulting in financial losses and reputational issues for the council.		The company is at high risk of failure and requires the council to provide assurance that liabilities will be underwritten. From a cash flow perspective the company is able to meet its liabilities as they become due but unable to repay the loan. £51.7m of loan has been provided by the council. The company has total net assets on the balance sheet. The business plan has been approved by Cabinet and are now awaiting registration to be accepted by Companies House. Once registration is accepted likelihood will reduce which will in turn reduce the overall score. Pending review of the full options appraisal due in Q1 2025/26. The council is exposed to financial and reputation risk if the company fails.
14.02	GRE5 - Failure of the company resulting in financial losses and reputational issues for the council.		The company has net liabilities as at 31 March 2024 of £3.1m which includes the loan to the council of £2.2m. The business plan for 2025/26 was approved at November Cabinet. The council has set aside a provision for underwriting the liabilities should it become necessary. The future direction of the company is pending review. Two new directors are being onboarded and will then focus on settling outstanding grant claims, clarifying Right to Manage and provide a managed exit strategy for the council

### 3.4 Environmental implications

3.4.1 There are no direct environmental implications arising from this report.

### 3.5 Equality implications

3.5.1 There are no equality implications arising from this report.

## 4. Background Papers

None

## Appendix 1 – Position Statement per Company

	Activity	JEH		Position (Continuing activity in bold)
		Sep 24	Nov 25	
COMPANY GOVERNANCE	Companies House compliance review	●	●	Companies House is up to date.
	Company set up legal documents identified	●	●	Updated Articles of Association drafted for approval.
	Shareholder primary objectives met and generating value for the council	●	●	<b>The council has commissioned an external consultancy specialising in the housing sector and public services to complete a high level options appraisal for the company.</b>
	Board members independent from council (or mix of)	●	●	<b>The Board currently consists of only one director and he is also operating as a council officer. An approved board composition is contained in the new articles, however the Council has not yet identified any additional directors that have sufficient industry experience.</b>
	Non Executive board members have sufficient industry experience	●	●	<b>The Board currently consists of only one director and he is also operating as a council officer. An approved board composition is contained in the new articles, however the Council has not yet identified any additional directors that have sufficient industry experience.</b>
	Board meetings are held in accordance with company governance	●	●	<b>The Board currently consists of only one director and he is also operating as a council officer. An approved board composition is contained in the new articles, however the Council has not yet identified any additional directors that have sufficient industry experience.</b>
	Company has Audit Committee / scrutiny arrangements	●	●	<b>The Board currently consists of only one director and he is also operating as a council officer. An approved board composition is contained in the new articles, however the Council has not yet identified any additional directors that have sufficient industry experience.</b>
	Company has arrangements to fulfil company secretary duties	●	●	The company have now appointed a company secretary which will also ensure that Board meetings are held appropriately and track progress on Special Resolutions. <b>Audit / scrutiny arrangements still to be strengthened.</b>
OVERSIGHT	Sub committee receives regular reports / updates on company performance. This could be a shareholder report or report of the Directors	●	●	The council constitution now incorporates Part 5.9 - Council Owned / Controlled Entities Protocol. This includes guidance on management of conflicts of interest.
	Council are satisfied that risk is managed within the company appropriately	●	●	A Shareholder panel is in place including agreed Terms of Reference. The company has a council Shareholder representative.
	The council has all signed executed legal documents available to 'Shareholder Panel'	●	●	<b>Regular reports to Cabinet Committee to be scheduled.</b>
	Shareholder responsible officer in place	●	●	Risk register is presented to Board, however, Board have not met regularly. The council has a corporate risk associated with JEH.
	An office Shareholder panel or equivalent is in place	●	●	Further work ongoing on roles and responsibilities separation.
	Council has in place a conflicts of interest policy for key council personnel involved with the company	●	●	
	Council staff and members have received training	●	●	

	Activity	JEH		Position (Continuing activity in bold)
		Sep 24	Nov 25	
	Annually the council receives a compliance and assurance statement	●	●	Executed legal documents – loan agreement, debenture, lease, title deeds.
	Shareholder exit strategy	●	●	<b>Compliance and assurance statement needs implementing.</b> <b>External consultants undertaking review of company.</b>
FINANCIAL GOVERNANCE	Business Plan up to date and covers MTFP lifecycle	●	●	March 2025 Cabinet approved a one year 2025/26 business plan pending options appraisal. The business plan has been restated to remove the lease arrangement.
	Company has its own bank account	●	●	<b>Approval of the 2026/27 business plan is expected by December 2025 and refreshed on conclusion of the options appraisal.</b>
	Company has its own finance system (or if shared, separate codes)	●	●	Bank account in place with action to amend bank mandate. Separate finance system implemented for 2025/26.
	Company issues sales invoices in its own name and receives invoices to pay	●	●	Finance reports to be provided wef November 2025 month end. <b>The company need to put in place external finance / bookkeeping support.</b>
	Company has its own financial governance / rules	●	●	2024/25 accounts being audited with expectation that these will be approved and filed on time before the statutory deadline 31 December 2025.
	Financial Reporting (minimum - B/S, P&L and cashflow statement)	●	●	Scheme of delegation and SLA in draft for approval.
	Financial monitoring and financial exposure is known and reported on	●	●	Loan and lease agreements in place. Debenture agreement in place. From the council perspective, annual monitoring is in place with working papers.
	External financing agreement(s) executed	●	●	<b>The loan agreement split between equity and debt needs addressing.</b>
	Use of assets agreement(s) executed. Council has monitoring and reporting in place	●	n/a	VAT and tax matters in place from the company perspective. The company was not required to register for VAT given the nature of the business being residential letting
	Loan agreement(s) executed. Council has monitoring and reporting in place	●	●	For the company to meet its going concern requirements, the council as sole Shareholder provides continuing limited financial support from the Council as sole Shareholder for at least 12 months from the date of approval of the
	Lease agreement(s) executed. Council has monitoring and reporting in place	●	●	
	Executed SLA /Support Services contract in place	●	●	
	Company treasury strategy aligns to agreed governance between shareholder and company	●	●	
	VAT and tax matters	●	●	

Activity	JEH		<b>Position (Continuing activity in bold)</b> statutory financial statements for the year ended 31 March 2024.
	Sep 24	Nov 25	

	Activity	GRE 5		Position (Continuing activity in bold)
		Sep 24	Nov 25	
COMPANY GOVERNANCE	Companies House compliance review	<span style="color: green;">●</span>	<span style="color: green;">●</span>	Companies House is up to date.
	Company set up legal documents identified	<span style="color: green;">●</span>	<span style="color: green;">●</span>	The company has legal documents set up including an executed version of the Share Purchase Agreement.
	Shareholder primary objectives met and generating value for the council	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>	The previous two Directors have resigned, and two new Directors appointed with sector experience. <b>Board meetings have not happened in the interim between Director resignations and appointments.</b>
	Board members independent from council (or mix of)	<span style="color: yellow;">●</span>	<span style="color: green;">●</span>	
	Non Executive board members have sufficient industry experience	<span style="color: grey;">●</span>	<span style="color: green;">●</span>	The company have now appointed a company secretary. <b>Audit / scrutiny arrangements still to be strengthened.</b>
	Board meetings are held in accordance with company governance	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>	The newly appointed Directors confirm the alignment to core objectives remain in place and in particular the progression of resident safety secured and proactive management in place
	Company has Audit Committee / scrutiny arrangements	<span style="color: grey;">●</span>	<span style="color: yellow;">●</span>	
	Company has arrangements to fulfil company secretary duties	<span style="color: yellow;">●</span>	<span style="color: green;">●</span>	
OVERSIGHT	Sub committee receives regular reports / updates on company performance. This could be a shareholder report or report of the Directors	<span style="color: red;">●</span>	<span style="color: yellow;">●</span>	The council constitution now incorporates Part 5.9 - Council Owned / Controlled Entities Protocol. This includes guidance on management of conflicts of interest.
	Council are satisfied that risk is managed within the company appropriately	<span style="color: grey;">●</span>	<span style="color: green;">●</span>	A Shareholder panel is in place including agreed Terms of Reference. The company has a council Shareholder representative.
	The council has all signed executed legal documents available to 'Shareholder Panel'	<span style="color: grey;">●</span>	<span style="color: green;">●</span>	<b>Regular reports to Cabinet Committee to be scheduled.</b>
	Shareholder responsible officer in place	<span style="color: grey;">●</span>	<span style="color: green;">●</span>	Risk register is presented to Board, however, Board have not met between Directorship changes. The council has a corporate risk associated with GRE 5 and repayment of the loan.
	An office Shareholder panel or equivalent is in place	<span style="color: grey;">●</span>	<span style="color: green;">●</span>	Executed legal documents – Share Purchase Agreement, Shareholder Agreement and loan agreement,
	Council has in place a conflicts of interest policy for key council personnel involved with the company	<span style="color: grey;">●</span>	<span style="color: green;">●</span>	<b>Compliance and assurance statement needs implementing.</b>
	Council staff and members have received training	<span style="color: grey;">●</span>	<span style="color: grey;">●</span>	<b>The company is working towards exit strategy.</b>
	Annually the council receives a compliance and assurance statement	<span style="color: grey;">●</span>	<span style="color: red;">●</span>	
	Shareholder exit strategy	<span style="color: red;">●</span>	<span style="color: yellow;">●</span>	

	Activity	GRE 5		Position (Continuing activity in bold)
		Sep 24	Nov 25	
FINANCIAL GOVERNANCE	Business Plan up to date and covers MTFP lifecycle	<span style="color: red;">●</span>	<span style="color: green;">●</span>	November 2024 Cabinet approved business plan.
	Company has its own bank account	<span style="color: grey;">●</span>	<span style="color: green;">●</span>	<b>Approval of the 2026/27 business plan is expected by December 2025.</b>
	Company has its own finance system (or if shared, separate codes)	<span style="color: grey;">●</span>	<span style="color: green;">●</span>	Bank account in place with separate finance system and appropriate financial reports provided direct from the finance system. <b>The company need to put in place external finance / bookkeeping support. The company / council need to put in place a SLA to formalise the provision of banking services.</b>
	Company issues sales invoices in its own name and receives invoices to pay	<span style="color: grey;">●</span>	<span style="color: green;">●</span>	2024/25 accounts preparation underway.
	Company has its own financial governance / rules	<span style="color: grey;">●</span>	<span style="color: yellow;">●</span>	Scheme of delegation, loan and SLA in place.
	Financial Reporting (minimum - B/S, P&L and cashflow statement)	<span style="color: red;">●</span>	<span style="color: green;">●</span>	The Shareholder Agreement sets out the treasury matters as a reserved matter for the Shareholder.
	Financial monitoring and financial exposure is known and reported on	<span style="color: yellow;">●</span>	<span style="color: green;">●</span>	VAT and tax matters in place from the company perspective. The company was not required to register for VAT given the nature of the business.
	External financing agreement(s) executed	<span style="color: yellow;">●</span>	<span style="color: green;">●</span>	For the company to meet its going concern requirements, the council as sole Shareholder provides continuing limited financial support from the Council as sole Shareholder for at least 12 months from the date of approval of the statutory financial statements for the year ended 31 March 2024.
	Use of assets agreement(s) executed. Council has monitoring and reporting in place	<span style="color: grey;">●</span>	<span style="color: green;">●</span>	
	Loan agreement(s) executed. Council has monitoring and reporting in place	<span style="color: yellow;">●</span>	<span style="color: green;">●</span>	
	Lease agreement(s) executed. Council has monitoring and reporting in place	<span style="color: grey;">●</span>	<span style="color: green;">●</span>	
	Executed SLA /Support Services contract in place	<span style="color: grey;">●</span>	<span style="color: yellow;">●</span>	
	Company treasury strategy aligns to agreed governance between shareholder and company	<span style="color: grey;">●</span>	<span style="color: green;">●</span>	
	VAT and tax matters	<span style="color: grey;">●</span>	<span style="color: green;">●</span>	

	Activity	SCF		Position (Continuing activity in bold)
		Sep 24	Nov 25	
COMPANY GOVERNANCE	Companies House compliance review	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<p>Companies House is up to date. <b>There is an outstanding action in relation to updating the Articles of Association, and a draft has been produced but is waiting agreement on the new board composition.</b></p> <p>The board has an independent chair, three independent NEDs and council appointed NED and 3 executive directors. A review has been commissioned by Mutual Ventures.</p> <p>Board meetings are held in accordance with company governance</p> <p>Company has Audit Committee / scrutiny arrangements</p> <p>Company has arrangements to fulfil company secretary duties</p>
	Company set up legal documents identified	<span style="color: green;">●</span>	<span style="color: yellow;">●</span>	
	Shareholder primary objectives met and generating value for the council	<span style="color: green;">●</span>	<span style="color: green;">●</span>	
	Board members independent from council (or mix of)	<span style="color: green;">●</span>	<span style="color: green;">●</span>	
	Non Executive board members have sufficient industry experience	<span style="color: green;">●</span>	<span style="color: green;">●</span>	
	Board meetings are held in accordance with company governance	<span style="color: green;">●</span>	<span style="color: green;">●</span>	
	Company has Audit Committee / scrutiny arrangements	<span style="color: green;">●</span>	<span style="color: green;">●</span>	
	Company has arrangements to fulfil company secretary duties	<span style="color: green;">●</span>	<span style="color: green;">●</span>	
	Sub committee receives regular reports / updates on company performance. This could be a shareholder report or report of the Directors	<span style="color: green;">●</span>	<span style="color: green;">●</span>	
OVERSIGHT	Council are satisfied that risk is managed within the company appropriately	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<p>The council constitution now incorporates Part 5.9 - Council Owned / Controlled Entities Protocol. This includes guidance on management of conflicts of interest.</p> <p>A Shareholder panel is in place including agreed Terms of Reference. The company has a council Shareholder representative. The council receives regular reports through other Committees.</p> <p>SCF adopted the council's risk management approach and reported to Cabinet in their annual report.</p> <p>Executed legal documents – SCF contract, loan agreement, and SLA.</p> <p><b>Compliance and assurance statement needs implementing.</b> However, the company do provide an annual report to the Cabinet in September.</p> <p>Awaiting formal decision - in principle agreement reached with DfE for two year extension with option to terminate earlier.</p>
	The council has all signed executed legal documents available to 'Shareholder Panel'	<span style="color: green;">●</span>	<span style="color: green;">●</span>	
	Shareholder responsible officer in place	<span style="color: green;">●</span>	<span style="color: green;">●</span>	
	An office Shareholder panel or equivalent is in place	<span style="color: darkgrey;">●</span>	<span style="color: green;">●</span>	
	Council has in place a conflicts of interest policy for key council personnel involved with the company	<span style="color: green;">●</span>	<span style="color: green;">●</span>	
	Council staff and members have received training	<span style="color: darkgrey;">●</span>	<span style="color: darkgrey;">●</span>	
	Annually the council receives a compliance and assurance statement	<span style="color: green;">●</span>	<span style="color: green;">●</span>	
	Shareholder exit strategy	<span style="color: green;">●</span>	<span style="color: green;">●</span>	
	Business Plan up to date and covers MTFP lifecycle	<span style="color: green;">●</span>	<span style="color: green;">●</span>	

Activity	SCF		Position (Continuing activity in bold)
	Sep 24	Nov 25	
Company has its own bank account	●	●	Approval of the 2026/27 business plan is expected to be approved by Cabinet in December 2025.
Company has its own finance system (or if shared, separate codes)	●	●	Bank account in place with separate finance system and appropriate financial reports provided by the company Finance Director. Financial updates are provided to the council through the Service Delivery Contract meetings. 2024/25 accounts will be filed by 31 December 2025.
Company issues sales invoices in its own name and receives invoices to pay	●	●	Scheme of delegation, loan and SLA in place. VAT and tax matters in place from the company perspective.
Company has its own financial governance / rules	●	●	
Financial Reporting (minimum - B/S, P&L and cashflow statement)	●	●	
Financial monitoring and financial exposure is known and reported on	●	●	
External financing agreement(s) executed	●	●	
Use of assets agreement(s) executed. Council has monitoring and reporting in place	●	●	
Loan agreement(s) executed. Council has monitoring and reporting in place	●	●	
Lease agreement(s) executed. Council has monitoring and reporting in place	●	●	
Executed SLA /Support Services contract in place	●	●	
Company treasury strategy aligns to agreed governance between shareholder and company	●	●	
VAT and tax matters	●	●	