

Audit and Risk Committee

Update on the Councils Trading Companies



Why do Councils have trading companies ?

New models of service delivery that:

1. Protect and improve quality services
2. Boost local growth
3. Make savings
4. Generate revenue

By 2020 it's anticipated all LA's will have trading companies

Overview

- Enfield's trading companies
- Governance and risk update
- Next steps

Enfield's Companies





energetik™

Benefits of the companies

- **Energetik –**
 - **Better value**, reliable and improving air quality and the environment, **reducing carbon footprint** by 80%.
 - 15,000 homes, public buildings and businesses, including new developments at Meridian Water, Arnos Grove, Oakwood and Ponders End.
 - The first residents at the Montmorency Park and Electric Quarter developments
 - 6% IRR and £10m interest premium

Benefits of the companies



- **Enfield Innovations Ltd** –
 - To manage the Council's small housing site building scheme.
 - A commercial development vehicle to **increase the supply** of good quality housing in the borough

Benefits from the companies

- **Independence and Wellbeing Ltd**
 - Provides quality adult social care services
 - Delivered £900k saving on service costs
 - Provider of last resort for Bridgewood
 - Potential to contract for profit to other organisations (other LA's and NHS)



Benefits of the companies

- Housing Gateway Ltd
 - acquisition and management of **sub-market accommodation** for Enfield residents.
 - 519 properties currently owned by the company.
 - Saving over £5m since 2014 on TA costs
 - Clear standard for the local market
 - Tailor properties to individual needs

Governance & Risk update

- Reviewed companies governance in 2017
 - Good entity governance
 - Lacked group governance
- Established Shareholder Board 2018
 - TOR (oversight and strategic direction)
 - Cabinet sub committee
 - 1 Cllr on each company board
 - Meets quarterly
 - Annual work programme

Governance & Risk update

- **Reviewed Reserved Matters**
 - EIL and HGL unrestricted
 - Energetik and IWE (Holding and Exec boards)
 - Cabinet Feb 2019
 - Standardised
 - Shareholder Agreements
- **Clarified Roles**
 - Shareholder
 - Commissioner
 - Lender
 - Support services

2019/20

- Refining the Shareholder Board – consistent, quality reporting
- Clear Strategic direction
- VFM support services
- Implementing Reserved Matters
- Developing Shareholder Agreements
- Continuing Shareholder Assurance – SHB
- Embedding governance process for partially owned companies
- Leadership, skills and culture