

Audit and Standards Committee - Tuesday 20 February 2024

Nexus Care Limited - Adoption of constitutional changes

Recommendation

I recommend that:

- a. Audit and Standards note and agree the constitutional change recommended to support the governance arrangements for Nexus Trading Services Limited.

Local Member Interest: N/A

To note: Councillor Mark Deaville and Councillor Mark Winnington are both currently Directors of Nexus Care.

Report of the Deputy Chief Executive and Director for Corporate Services

Report

Background

1. In November 2022 guidance was published by the BDO (Accountancy and Business Advice Organisation) and Local Partnerships Organisation. They published guidance in response to a number of Public Interest Reports where issues with LATCOs were identified. This guidance was raised by the AD for Audit and Finance and put to the Corporate Governance Working Group.
2. On the 3rd March 2023 Staffordshire County Council Audit team published its final report titled "Nexus Care (LATCO) Financial Assurance Review".
3. The County Solicitor, on behalf of the Director for Corporate Services, undertook a review of Local Authority Trading Companies (LATCO). The recommendations from that review were presented to Audit and Standards on the 21st March 2023, alongside the report of audit.
4. The report and review both identified some changes that could be made to better support governance arrangements in relation to Nexus Care Limited. The changes were put forward to support the positive work already being undertaken by that organisation.

5. The Articles of Association and Shareholder Agreement, which are key documents to support the governance and working arrangements of Nexxus Care, have now been reviewed and refreshed.
6. A recommendation arising from the review of the Shareholder Agreement is that the Constitution of Staffordshire County Council be amended in order to support the governance arrangements relating to Nexxus Care.
7. The proposed amendments to the Constitution are:

Table 6 of Appendix one of section 10 of the constitution (which sets out the delegations to the Director of Health and Care) to be amended to state:

To act as the Council's Shareholder Representative/Authorised Person in relation to Nexxus Trading Services Limited.

Equalities Implications

8. There are no equalities implications arising from the proposed constitutional changes.

Legal Implications

9. The changes proposed are put forward as a result of legal advice received and are compliant with that advice.

Resource and Value for Money Implications

10. The review of LATCOs and the changes proposed within Nexxus will provide additional support and assurance to support the continuing positive work being done by Nexxus Care.

Risk Implications

11. The changes are required to ensure that the constitution reflects the amendments proposed to the Articles of Association and Shareholder Agreement.

Climate Change Implications

12. There are no climate change implications resulting from the proposed change.

List of Background Documents/Appendices:

None.

Contact Details

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