

**BATH & NORTH EAST SOMERSET COUNCIL**  
**SHAREHOLDER GROUP - TERMS OF REFERENCE**

## **Overview**

The purpose of the Shareholder Group is to advise the Shareholder in the exercise of their responsibility for the Council's functions as corporate shareholder of a company or group of companies and in their role to represent the interests of the Council as Shareholder Representative at meetings of a company.

## **Decision making**

The Cabinet will make decisions concerning companies in which the Council is or is proposed to become a shareholder. Information provided is commercially confidential to the Council companies and must be held in Strict Confidence and must not be divulged by the members in receipt of it save for the purpose for which it is disclosed.

## **Membership and Arrangements**

The Shareholder Group shall consist of the Leader in the presence of:

- (a) two members of the Cabinet being the portfolio holders (or their nominated representatives) for:-  
Resources  
Built Environment and Sustainable Development
- (b) Group Leaders of the other parties and
- (c) Cabinet Project Lead (Leader and Built Environment & Sustainable Development)
- (d) any co-opted advisors, who will be independent persons providing relevant expertise and appointed on merit
- (e) Client Group Chair or deputy

The Chief Executive, Service Director for Finance (s151 Officer) and the Head of Legal and Democratic Services (Monitoring Officer), or their deputies, will be advisors to the Group to provide open and strong advice.

## **Restrictions on Membership**

As the Shareholder Group and the Shareholder discharges executive functions in relation to company matters, only Cabinet members can be members of the Shareholder Group with voting rights, although non-Cabinet members and co-opted advisors can be invited to attend, without voting rights.

## **Meetings**

The Shareholder Group shall meet on a basis agreed by itself and normally in private.

The quorum shall be the Leader (or other Cabinet member appointed by the Leader for this purpose) in the presence of a minimum of two other Cabinet Members.

An invitation to attend must also have been provided to the Chief Executive, section 151 officer and the monitoring officer (or their nominated deputies), which will normally be at least three clear days in advance of the meeting taking place.

The Leader will chair the Shareholder Group.

### **Sub Groups**

To assist it in its functions the Shareholder Group:

1. may establish and consult standing sub-groups, such as might be required in respect of:
  - (a) Audit and Risk;
  - (b) Ethical practices; or
  - (c) Nominations and Remuneration
2. may establish and consult ad-hoc or task and finish sub-groups in respect of any matter; and
3. may establish and consult stakeholder groups on any particular aspect or the generality of the objects of the trading companies

A sub-group or stakeholder group may contain such co-opted members, advisors or observers as the Shareholder Group sees fit.

### **Functions**

1. Monitor the performance of a company in relation to its Business Plan and, in particular, the company's performance:
  - (a) in financial matters
  - (b) against the objectives of the company as set out in the company's Objects, Business Case or Business Plan
2. Evaluate and monitor:
  - (a) the financial and other returns on investment (be that shareholding, loans or direct investment); and
  - (b) risks and opportunitiesincluding those arising from joint ventures or new opportunities.
3. Consider matters reserved to the Council for shareholder approval, such as:

- (a) Varying Articles of Association
  - (b) Varying ownership and structure
  - (c) Variations to shares (number of; rights; etc.)
  - (d) Entering contracts that:
    - (i) have a material effect on BaNES Council business (including other companies within the group)
    - (ii) are outside of the business plan or do not relate to the business
    - (iii) are significant in relation to the size of the business, the business plan, etc.
  - (e) Material legal proceedings outside of ordinary business
  - (f) Adopting and amending business plans each year and strategic plans (3 years)
  - (g) Appointment, removal and the remuneration of directors (members of the company board)
  - (h) Selection of the chair of the board
  - (i) Appointment of auditors
  - (j) Issue of dividends and
- as more particularly set out in a company's Articles of Association or Shareholder Agreement.

## Relationship

The Shareholder Group as it considers appropriate in accordance with its functions described above, may:

1. report and make formal recommendations to the Cabinet;
2. make reports to and consult PDSP (including full Council) subject to the opportunity for Cabinet to first comment on reports or
3. make reports to and consult the Audit Committee, in relation to that Committee's particular functions.