

Bath & North East Somerset Council	
MEETING	Resources Policy Development & Scrutiny Panel
MEETING DATE:	6th November 2018
TITLE:	Protocol on Council Company Governance
WARD:	All
AN OPEN PUBLIC ITEM	
List of attachments to this report: Report to 8 th November 2018 Council on 'Protocol on Council Company Governance'.	

1 THE ISSUE

- 1.1 The report to Council sets out the progress made on implementing the decisions of Council on 14th September 2017 relating to the governance arrangements for local authority trading companies.

2 RECOMMENDATION

The Panel is asked to;

- 2.1 Note the proposed amendments to the Protocol for Governance Arrangements of Local Authority Trading Companies and make any required recommendations.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 There are no direct resource implications.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 These are set out in the Council report.

5 THE REPORT

- 5.1 On 14th September 2017 Council resolved to agree the proposed protocol for the governance of local authority companies and requested Cabinet to

incorporate recommendations by the Resources PDS Panel to the proposed governance structure as follows:

- (1) that regular performance reports be brought to the relevant scrutiny panel or committee on a 6 monthly basis on all commercial activity;
- (2) that the principle of a clear distinction between the role of Cabinet and the role of the board/company be established within a reasonable period of time; and
- (3) that legal advice as to how and when a greater scrutiny mechanism can be achieved for decisions made by, or in consultation with, the Leader in his or her role as shareholder is obtained.

5.2 The Council report sets out the approach and actions necessary to comply with the Council resolution.

6 RATIONALE

6.1 The separation of roles and scrutiny arrangements proposed in the report will provide the necessary transparency and democratic oversight of arrangements for the Council's local authority trading companies, whilst ensuring that the Council's decision making as Local Authority and shareholder is efficient and effective.

7 OTHER OPTIONS CONSIDERED

7.1 None.

8 CONSULTATION

8.1 The Council's S.151 Officer, Commercial Director and Monitoring Officer have each been consulted upon the arrangements proposed.

9 RISK MANAGEMENT

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

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Background papers	
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