

Bath & North East Somerset Council

MEETING	Corporate Policy Development & Scrutiny Panel	
MEETING	24 September 2019	EXECUTIVE FORWARD PLAN REFERENCE:
TITLE:	Protocol on Council Company Governance	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Appendix 1 Proposed report to Council to amend the Protocol on Council Company Governance		

1 THE ISSUE

- 1.1 To provide an opportunity for scrutiny of the proposed changes to the Council's Protocol on Council company governance

2 RECOMMENDATION

The Panel is asked to;

- 2.1 Consider and comment on the proposed amendments to the Protocol**

3 THE REPORT

- 3.1 The Resources PDS panel has previously recommended to Council that a greater scrutiny mechanism be achieved for decisions made by, or in consultation with, the Leader in his or her role as shareholder. The new administration proposes enhanced scrutiny arrangements by involving the other

party group leaders in the shareholder group that advises the leader as shareholder representative.

- 3.2 In addition the current arrangements for monitoring the performance of ADL & ACL (the council's development company) through a shadow holding company are administratively costly & cumbersome. It is proposed to suspend these arrangements until such time as these are warranted. In particular if and when new council owned companies are created. In the meantime provision is made for leaner oversight arrangements. These leaner arrangements see a new client board established with officers at the appropriate level holding ADL/ACL to account and ensuring that they deliver in line with the council's priorities.
- 3.3 Finally it is proposed that the power to review the suspension of the holding company arrangements is delegated to the s.151 officer in consultation with the leader and that these arrangements will be reinstated when it is considered that the holding company arrangements are warranted.

4 STATUTORY CONSIDERATIONS

- 4.1 The Localism Act 2011 requires that all trading by Councils must be undertaken through the creation of a company. The Protocol adopted by Council on 14th September 2017, together with the adaptation of the processes recommended in the report to Council on the 10 October 2019 report will ensure a consistent approach to the creation, subsequent governance and effective scrutiny of all Council trading companies.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 The adoption of the proposed changes will result in savings by avoiding the need to hold group leader briefing meetings and shadow hold company meetings and streamline decision making.

6 RISK MANAGEMENT

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

7 CLIMATE CHANGE

- 7.1 Streamlined decision making will avoid the need to hold separate and duplicate meetings.

8 OTHER OPTIONS CONSIDERED

- 8.1 To maintain the present arrangements with the consequent reduced transparency and additional administrative costs.

9 CONSULTATION

- 9.1 The Chief Executive, Monitoring & S.151 officers and Shadow Hold Company directors have been consulted on the proposed changes to the Councils protocol on Company Governance.

Contact person	Michael Hewitt, Legal Services Manager, tel: 01225 395125
Background papers	Council report 14 th September 2017 adopting the protocol, Council report 8 November 2018 amending the protocol
Please contact the report author if you need to access this report in an alternative format	