

6.3 Cabinet Committee – Group Company Governance

Role of Cabinet Committee – Group Company Governance

- i. The role of the Committee is to ensure that the Council's strategic objectives are met across the group of companies which either the Council owns or has an interest in, and to support the development of the group in line with the Council's regulations and ambitions.

Functions of Cabinet Committee – Group Company Governance

- ii. The Committee's responsibilities include (subject to regulations imposed by the Charity Commission, regarding the independence of charitable entities):
 - a) Holding entity Boards to account for their performance with the necessary powers to make and drive immediate change through the Boards;
 - b) Supporting the development of entities and making recommendations on the disposal/dissolution of companies (below Cabinet limit on value) and matters such as varying Articles of Association, varying ownership and structure and varying share rights;
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 - c) Identification of entities' business support requirements;
 - d) Providing subsidiaries with clear direction and support in its role as sole shareholder/member, including guidance and training to board members where necessary;
 - e) Evaluation of effectiveness of entity board governance structure, processes and recommend changes as required;
 - f) Reviewing business plans and strategies of the entities where applicable (to ensure compliance with the Council's strategic direction) to, for example, communicate changing priorities;
 - g) Ensuring compliance of the entities with the Council's interests including the Birmingham Business Charter for Social Responsibility;

⁴⁷ Note: on 22 January 2018, Council Business Management Committee agreed to disapply sections B6.3ii a) and b) for the Birmingham Children's Trust Community Interest Company during the period of government intervention only

- h) Oversight of compliance to ensure that taxation, legal and financial interests of the Council together with the Council's Constitution are considered and protected;
- i) Oversight of compliance with procurement rules;
- j) Oversight of compliance to avoid conflict of interest;
- k) Receiving and reviewing entity performance, financial and risk reports;
- l) Advising Cabinet/City Council of issues as appropriate, including on appointments to outside bodies.

Membership

- iii. The Cabinet Committee – Group Company Governance has been established by Cabinet with the following membership:
 - The Deputy Leader;
 - Another Cabinet Member as deemed appropriate by the Deputy Leader;
 - One Councillor member from each of the Opposition Party Groups.
- iv. The membership of the Committee shall be based on cross party representation.
- v. The quorum for a meeting of a Cabinet Committee shall be two Cabinet Members and a member of the opposition.
- vi. A substitute member shall be entitled to attend in place of a regular Member provided:
 - That a Cabinet Member may only be substituted by another Cabinet Member;
 - That Committee Services has been notified of any substitution before the meeting begins.
- vii. Once an agenda item has begun with a substitute member attending, the regular Member in respect of whom notification has been received, shall not be entitled to vote on the agenda item as a Member of the Cabinet Committee.
- viii. A substitute member will be able to vote during the meeting only when s/he is acting as a substitute for a regular Member.

Rules of Procedure – Cabinet Committee: Group Company Governance

- ix. Cabinet Committee decisions shall only be taken based on written report(s) from Chief Officers and after any appropriate advice from the Head of Paid Service, Monitoring Officer and Chief Finance Officer. All reports are to be presented in the template prescribed by the City Solicitor.
- x. Cabinet Committee decisions are only effective and actionable provided they are taken in accordance with this Constitution, and when posted on the Council's website by Committee Services and following the call-in process.