



Subject:	Group Company Directors and Nominees – Guidelines	
Report of:	Corporate Director – Finance & Governance	
Relevant Cabinet Member:	Councillor Brigid Jones	
Relevant O &S Chair(s):	Councillor Sir Albert Bore	
Report author:	Assistant Director Development and Commercial	
Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, add Forward Plan Reference:		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential :		

1 Executive Summary

- 1.1 This report sets out for the Committee Members a draft guideline for officers and members tasked with representing the council on company boards either as non-executive directors or official board observers. The requirements and obligations will not replace or supersede director's duties in relation to their companies but are intended to ensure that officers and members have the skills to be able to undertake those duties, that duties are discharged appropriately and that the council is appraised on matters pertinent to its own business needs.

2 Recommendations

- 2.1 Members to consider the draft BCC Directors and Nominees Guidelines, appendix 1, and provide feedback for a final document.
- 2.2 Members to delegate approval of final content to the Deputy Leader for distribution to all council appointed directors and nominees.

3 Background

- 3.1 Members have previously discussed the role of council nominated directors and appointed representatives to the boards of the council's group of companies. Primarily, Committee has concentrated on ensuring that all existing appointees are aware of their duties as directors and a programme of training has been carried out. This programme will be further developed as appropriate and each new appointee will be required to attend and maintain a full awareness of their legal obligations when becoming a director.
- 3.2 The risk register for Group Company Governance has been considered by the Committee at its meetings and contains a number of risks that are mitigated through information and actions that can be communicated and/or managed through the council nominated non-executive directors and appointees, be they members or officers.
- 3.3 To provide assurance that such nominees are able to carry out their duties appropriately and efficiently Committee has previously discussed a list of requirements and obligations for each person appointed. These are set out in appendix 1, Guidelines for Council Group Company Representatives. This guidance will be reviewed and updated by the Committee at least annually to ensure that it is appropriate and provides the information required by the council to mitigate certain risks associated with Group Company Governance.
- 3.4 Assessment of the compliance against these guidelines will be reported to Committee.

4 Options considered and Recommended Proposal

- 4.1 This report suggests a new set of guidelines for each council appointed non-executive director or company board observer to assist with their duties and to provide the council with some assurance in relation to group company risk. The guidelines will be reviewed at least annually and are recommended as good practice.

5 Consultation

- 5.1 The Chair of the Committee has been consulted on this paper.

6 Risk Management

- 6.1 This report contributes to the actions being taken to manage the main risks that the Council faces as a result of its operation through and its partnership arrangements with external organisations. The report sets out the actions being taken to mitigate those risks.

7 Compliance Issues:

7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

- a) The Council has created a number of entities or entered into a number of partnership arrangements to ensure that services can be delivered more effectively for local citizens. There is a requirement to ensure that members and officers nominated to board membership or as observers are equipped to perform those duties and assisted through a set of best practice guidelines. For the council there is an element of risk in any activity and provision and adherence to these guidelines will assist in understanding those potential risks faced and the actions being taken to mitigate them.

7.2 Legal Implications

- a) The Section 151 Officer has a duty to ensure the proper administration of the Council's affairs. The Accounts and Audit Regulations 2015 require the Council to have effective arrangements for the management of risk.

7.3 Financial Implications

- a) There are no financial implications directly arising from this report.

7.4 Procurement Implications

- a) There are no procurement implications directly arising from this report.

7.5 Human Resources Implications

- a) There are no Human Resource implications directly arising from this report.

7.6 Public Sector Equality Duty

- a) There are no specific Equality Duty or Equality Analysis issues relating to the proposals set out in this report.

8 Background Documents

- 8.1 None.