

Terms of Reference: Company Governance Review

Purpose

This note outlines proposed terms of reference for the review of Governance of City Council Companies.

Recommendation

To accept the terms of reference for the review as set out below..

Context

The City Council has 7 main subsidiary companies and a further 4 joint ventures. These 7 subsidiaries have been created over many years, but

- The pace of creation has increased recently as a result of imperatives for alternative delivery models and a commercial approach.
- The potential size of these companies in relation to the Council as parent is increasing as the Council's funding is restricted by measures introduced by the UK government.
- The Council's appetite for risk has increased and this should be reflected in the related control environment.

The Council recognises the importance of a good governance framework to underpin these arrangements. The timing of this review reflects the change in the strategic context.

Terms of Reference

Scope

The review will identify good practice principles for governance of City Council Companies, and how these may be applied.

Method

We will carry out the following tasks to prepare the framework

- Review existing practice within the sector
- Identify good practice and guidance from UK Corporate Governance Code, National Audit Office etc.
- Consult with key partners

Timescales

September 2017 – Audit Committee to agree terms of reference

November 2017 – progress report to Audit Committee

February 2018 – final report to Audit Committee

Expected Outcome

The review will develop a model framework for companies that can be used as an assessment tool by the companies and the City Council.

Audit Committee can request and monitor the outcomes of these assessments.