

EXECUTIVE MEMBER FOR FINANCE AND GOVERNANCE

Date: Tuesday 25th July, 2023
Time: 12.30 pm
Venue: Stainsby room

AGENDA

1. Wholly and Partly Owned Council Companies Policy and supporting Minimum Standard 3 - 24

Charlotte Benjamin
Director of Legal and Governance Services

Town Hall
Middlesbrough
Wednesday 19 July 2023

MEMBERSHIP

Councillors , , N Walker

Assistance in accessing information

Should you have any queries on accessing the Agenda and associated information please contact Susie Blood, 01642 729645, Susie_blood@middlesbrough.gov.uk

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MIDDLESBROUGH COUNCIL	
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Report of:	Director of Legal and Governance Services
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Submitted to:	Executive Member Finance and Governance
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Date:	29 July 2022
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Title:	Wholly and Partly Owned Council Companies Policy and supporting Minimum Standard
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Report for:	Decision
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Status:	Public
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Strategic priority:	Quality of service
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Key decision:	No
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Why:	Decision does not reach the threshold to be a key decision
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Urgent:	No
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Why:	Not applicable
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Executive summary
<p>From time to time, the Council may elect to use a wholly or partly owned company to carry out specific functions. The purpose of this report is to seek approval of the proposed policy that sets out how the Council will develop, operate, and review wholly or partly owned council (WPOCC) companies.</p> <p>This report sets out that policy and its supporting Minimum Standard. The key elements of the policy and supporting minimum standard are:</p> <ul style="list-style-type: none"> • A business case should be in place for all proposed companies • Due diligence should be completed to ensure the business case is robust • Implementation of the company should ensure that its structure and reporting arrangements provides the Council with assurance that it meets the principles of good governance articulated in the Minimum standard • That roles and responsibilities are clearly understood and that those who hold them have the skills, capacity and experience to deliver those roles fully • That regular formal reviews of arrangements are considered by the appointing body to assess whether the business case for the company is still present.

If agreed, it will be implemented and the one existing company arrangement in place will be reviewed against this new model.

Purpose

2. The purpose of this report is to seek approval of the proposed policy that sets out how the Council will develop, operate, and review Wholly or Partly Owned Council (WPOCC) companies.
3. The aim of the policy is to strike an appropriate balance between allowing a company the freedom to manage its activities and ensuring that its arrangements provide the Council with assurance that the company is required to achieve the Council's ambitions, provides value for money from its activities and has appropriate corporate governance arrangements in place.

Background and relevant information

4. In September 2022, the Corporate Affairs and Audit Committee considered an annual assurance report on Partnership Governance which set out the Council's Partnership Governance Policy, the supporting register of key partnerships and lead officer assessments of their health.
5. The Committee was advised by officers at that time that, as part of work to complete the register of key partnerships, it had been identified that there was an organisational need to develop a complementary governance structure to sit alongside the Partnerships Governance Policy. This will provide a governance framework for wholly or partly owned Council companies that assesses:
 - When a wholly or partly owned company should be considered for establishment
 - The required content of any business case to establish one e.g. clear evidence that the required business to be conducted could not be completed as effectively within the Council
 - The minimum standard any company that is established should comply with for the purposes of demonstrating its effectiveness back to the Council.
6. This new policy would provide a framework against which all potential future wholly or partly owned Council companies, in whatever form they might take, could be assessed against. It would also provide a standard framework to ensure current arrangements were consistently and regularly reviewed to ensure the business case for their retention was still present.
7. An action to deliver this new policy was also included in the draft 2021/22 Annual Governance Statement.
8. This report sets out that policy and its supporting Minimum Standard. The key elements of the policy and supporting minimum standard are:
 - A business case should be in place for all proposed companies
 - Due diligence should be completed to ensure the business case is robust
 - Implementation plans of the company should ensure that its structure and reporting arrangements provides the Council with assurance that it meets the principles of good governance articulated in the Minimum standard
 - That roles and responsibilities are clearly understood and that those who hold them have the skills, capacity and experience to deliver those roles fully
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- That regular formal reviews of arrangements are considered by the appointing body to assess whether the business case for the company is still present.

Scope

9. Following the decision by Executive in January 2023 to endorse a proposal to close down the Middlesbrough Development Company and put alternative arrangements in place, the Council will have one wholly or partly owned company in operation once this is enacted by the board and fully implemented. The one remaining arrangement in place is Veritau Tees Valley, a partly owned Council company that was established in 2019 as a private limited company, in partnership with Veritau Limited and Redcar and Cleveland Borough Council.

Next steps

10. Once this policy is adopted, a review of the existing company in operation will be undertaken and brought forward for consideration, in line with the proposed policy.

What decision(s) are being recommended?

11. That the Executive Member for Finance and Governance:
 - Approves the Wholly and Partly Owned Council Companies Policy and supporting minimum standard
 - Approves the proposal to assess the existing company in line with the policy within the next 12 months.

Rationale for the recommended decision(s)

12. The adoption of a policy framework that follows recently published best practice will provide a consistent standard against which companies can be assessed to provide the organisation with assurance that governance is fit for purpose and the business case for establishment of a company is robust.

Other potential decision(s) and why these have not been recommended

13. The Council could choose not to adopt this policy, however that is not recommended. A proportionate, consistent approach to the establishment, maintenance and review of such arrangements will provide the Council with assurance that Value for Money is being achieved within arrangements that are necessary in order to achieve its objectives.

Impact(s) of the recommended decision(s)

Legal

14. The policy and supporting minimum standard will support compliance with company law and emerging good practice guidance issued by sectoral leaders such as the Chartered Institute of Public Finance and Accountancy (CIPFA). This policy is not in response to any new legal obligations placed on the Council.

Strategic priorities and risks

15. The policy and compliance with it will provide greater assurance around the contribution any company that is established will have towards achievement of the Council’s priorities. It will also ensure that the risks of any companies are fully articulated and formally reported back to the Council on a regular basis during the lifetime of the company.

Human Rights, Equality and Data Protection

16. Not applicable. Application of the policy and supporting standard will provide assurance on each company in relation to compliance with their legal obligations in these areas.

Financial

17. Not applicable. Application of the policy and supporting standard ensure Value for Money is being achieved from any company established.

Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
Review of the existing company, Veritau Tees Valley	Director of Finance (Section 151 Officer)	March 2024

Appendices

1	Wholly and Partly Owned Council Companies Policy and supporting Minimum Standard
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Background papers

Body	Report title	Date
Executive	Provision of an Internal Audit Service	8 October 2019

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MIDDLESBROUGH COUNCIL

**WHOLLY OR PARTLY OWNED
COUNCIL COMPANIES**

MINIMUM STANDARD

February 2023

Introduction

1. This document supports compliance with the Wholly and Partly Owned Council Companies (WPOCC) policy by providing a best practice checklist of the minimum required to be followed when considering establishing a company, oversight during the company's lifetime and how the continued existence of a company should be regularly reviewed.

Development - Development of a proposal to establish a Company

2. Where it has been identified that a company, in some form may be required to achieve the Council's objectives, the following steps must be taken.

Business Case

3. A business case should be developed that considers the need for the company, in line with the Council's Programme and Project Management Policy, that:
 - Sets out the strategic context together with the overall vision and ensure that the objectives for the required activity are clear
 - assesses why establishing a company is the best assessed option against the range of delivery models available to the Council
 - ensure that the costs and benefits – both direct and indirect – are clear and that evaluation is driven by long-term benefits
 - ensure a comprehensive appraisal of the range of options for service delivery in such a way that decision makers are assured that there has been a fair assessment of the delivery models e.g., in house, outsource, partnership working, Local Authority Trading company, Joint Venture, Teckal company etc.
 - sets out the investment and other resources required in the recommended option to achieve the objectives, along with a clear illustration of the true costs of borrowing where this is appropriate.
4. In line with the Council's Programme and Project Policy and supporting framework, it is likely that a full Business Case will also be required that uses the five case model to assess the proposal. Within this, the assessment of any company should also consider how it will be resourced to meet the obligations of this minimum standard in relation to corporate governance; including information governance, legal support, data protection, health and safety, risk, insurance, performance management and HR.
5. Further guidance on the content of the business case can be sought from the Council's Programme and Project Management Framework and the Chartered Institute of Public Finance and Accountancy (CIPFA) detailed 'Local Authority Owned Companies, good practice guidance' (2022).

Stakeholder involvement

6. The LMT lead should ensure that any exploration of a business case for the establishment of a company includes early engagement with stakeholders including:
 - Executive Member(s) and the Mayor, and where the ultimate decision maker is a body other than Executive, politicians that sit on that body
 - The Chief Executive
 - The Monitoring Officer
 - The Section 151 Officer
 - Portfolio Management Office
 - Head of Governance, Policy and Information.

Due Diligence

7. Prior to finalisation of any full business case, a due diligence process should be completed to ensure the above has resulted in a proposal where the financial, legal, taxation and operational implications of the proposed company are understood and the assumptions for its creation are robust.
8. An external review, or an internal review by someone who has not been involved in the process and who has the knowledge and skills to consider the following questions should be undertaken:
 - Are the proposals aligned with the Council's Strategic objectives?
 - Are the desired outcomes from the company clearly stated?
 - Is the proposal consistent with the Council's values?
 - Where other partners are involved is there a clear alignment of expectations?
 - Does the proposal fully articulate the risks to the authority, including financial, reputational and service delivery risks?
 - Would there still be a robust business case for the company if there was a change in the political administration of the Council?
 - Is there a clear rationale for creating the company?
 - Does the proposal fully articulate the whole cost of establishing and maintaining a company including staffing and governance?
 - Does the authority have the right skills in place to successfully deliver a company, including oversight and occupation of key company roles by councillors and members?
9. This will include ensuring the following documents are in place before a Member decision is taken on the principle of establishing a company:
 - A business case
 - A business plan
 - Proposed articles of association
 - A shareholder/member or governance agreement that covers issues such as expected standards in relation to corporate governance,

including the expected risk appetite of the company and how it will be managed

- Commissioner clarity – where a local authority company is contracted to provide services to the local authority (the shareholder) it is advisable to establish a client/contractor split
- Agreements providing for the council's provision of services and (if relevant) provision or transfer of assets and liabilities to the company
- Policy on secondments and / or employment by the Company
- Additional agreements as required, including data protection, records management and information-sharing protocols
- Policy on conflicts of interest
- Documents concerning funding flows – loans and advance payments
- Authority internal policy documents that may apply to the company, such as standing orders and financial and contract regulations
- A clear exit strategy
- Any reserved matters that can only be done in agreement with the shareholders.

Taking the decision

10. At the point a decision is taken to proceed, a detailed implementation plan will be delivered that covers key aspects of good corporate governance including:

- ICT, systems, security, hardware and software
- Staffing
- Banking, VAT and accounts
- Information governance
- Legal compliance
- Records management
- Performance and budget oversight by the Board and Council
- Internal and External audit requirements.

Implementation – Structure, Roles and Responsibilities

11. A Company will need sufficient freedom to achieve its objectives in order to thrive. A commercial entity needs to be able to act with agility to compete with other companies in the market, taking into account changing conditions.

12. The governance of the company will need to ensure that the Council retains effective oversight of the company, thereby protecting its investment and ensuring that trading activities are carried out in accordance with the Authority's ethos and values.

Company Structure

13. The Company's structure should be set up to provide the following:

- Clear formal communication channels between the company and the Council both to the Leadership Management Team lead responsible for

oversight but also to provide formal regular assurance back to the Council on the ongoing effectiveness of the company and its delivery against its business plan and the Council's objectives. This will be on at least a quarterly basis.

- A performance framework that ensures the board are fully sighted on the performance of the company, its risk management and the effectiveness of its internal controls.
- The company, within its governance documents, should clearly articulate its risk appetite as part of a risk management policy and that should be agreed and regularly reviewed by the Board.
- Delivery processes that ensure best value is achieved in relation to investments by ensuring appropriate frameworks are in place to oversee delivery. This could include project management tools, procurement policy, financial management etc.
- Training for proposed Board Members to ensure they understand their proposed roles, expectations, risks they will be taking on, the conflict of interest process and any other relevant aspect of good governance. This should be repeated regularly. Completion of training should be a requirement of ongoing Board Membership. An annual review of Board skills should be completed and the outcome reported in assurance reports to the Council.
- Provision of access to financial data to ensure the Council can maintain its legal obligations in relation to financial reporting.
- Consideration of the financial reporting regime the company will be required to follow
- Provision of external audit of the company's accounts with the presumption that any company using public money would be subject to external audit.
- Internal audit arrangements for the company using either the Council's existing provider or securing an alternative provider.
- A communications plan that sets out how company information will be published to provide the public with information about the operation of the company while also maintaining commercial confidentiality where necessary to ensure the company can operate on an equal footing with its competitors.
- A conflict of interest policy governing company directors and staff. This will cover situational conflicts that will not be permitted including:
 - Executive members holding a portfolio who also serve as a director of a company under the control of the same portfolio
 - Councillors taking shareholder decision in respect of a company of which they are also a director.
 - Officers who serve as director for a company will not also be allowed to undertake the Shareholder Representative role for the Council.
 - Conflicts prohibited by the council constitution.

Roles and responsibilities of the Council

14. It will be the Lead LMT member's responsibility to ensure that the Council establishes the company and maintains responsible for the following

decisions (subject to agreement with partners where it is a joint venture) during the life of the company:

- registering the company and associated persons with Companies House
- drawing up documentation to support the company's governance and structure
- appointing the board chair
- agreeing board memberships and board members' responsibilities
- determining the regularity of meetings
- determining audit arrangements, and
- agreeing how the company should be financed
- identification and agreement of client / contractor splits where the company provides services to the Council.

Roles and Responsibilities of the Company Board's Chair

15. The Chair must:

- Set clear expectations around style, tone and content of board discussions
- Ensure the Board has effective decision-making processes that meet good governance standards
- Ensure there is sufficient challenge involved in major proposals
- Ensure meetings are held without company employees are present in order to facilitate a full and frank airing of views, where that is required
- Ensure that an appropriate level of information is received by the Board in order for informed decisions to be made.

Roles and responsibilities of the Board

16. The Board will:

- Provide leadership
- Model compliance with good governance conduct through its behaviour
- Monitor performance against the objectives and risk
- Evaluate courses of action to achieve objectives and make strategic decisions
- Be accountable for the company's activities to the Council, ensuring regular reporting to the Council.

17. Company Directors will:

- Act at all times in the best interests of the company as required by company law
- Be responsible for ensuring they have the skills and knowledge to undertake their roles effectively
- Act only within their roles as set out in the Company Memorandum and Articles of Association and only use their powers for the purposes

for which they are conferred (this will require a clear understanding of the differences between roles when acting as either an Executive Director of the Company, a non-Executive Director and when acting in other roles outside of the company e.g. Elected Member, officer of the Council etc.)

- Promote the success of the company
- Exercise independent judgement
- Exercise reasonable, care, skill and diligence
- Avoid actual, potential and perceived conflicts of interest by adhering to a conflict of interest policy

18. Executive Directors are working employees of the company, responsible for strategic decision-making and ensuring effective running of business operations.
19. Non-Executive Directors will provide expertise, hold the company to account for its performance and compliance with good governance through constructive challenge and scrutiny.
20. Where there is a requirement for a company to act at 'arms-length' in order to achieve its objectives, strong consideration should be given to appointing a chair who is independent of the Council.

Roles and responsibilities of Shareholder Representative

21. Within the current governance model of the Council, the Elected Mayor determines the Shareholder representative. The function can be delegated to an officer or the Executive. The representative should have due regard to the views of the Shareholder Board when exercising their role as the shareholder representative.
22. Where applicable, depending on the nature of the legal entity, the Council should identify who the personal with significant control is and register them with Companies House.

Roles and responsibilities of a Shareholder Board

23. A formal Shareholder Board should be established to advise the shareholder representative. This Board will provide oversight from the Council's perspective and be the mechanism by which non-Executive Councillors, can hold the company to account. Directors of the Company are required to attend Shareholder Boards to present information as required.
24. Each company will be different, however when establishing the governance, consideration should be given as to how the views of the Board will be given to the representative and then reflected in the business meetings of the Board.

Good Governance in practice – Operating effectively and with integrity

Managing conflicts of interest

25. When appointing Non-Executive Directors, the Council should consider the good practice of having some distance between key authority decision makers and company decision makers in terms of personnel.
26. There should be a conflict of interest policy and supporting register that meets legal obligations and compliance with it is clearly the responsibility of individuals acting in various company roles.
27. All potential conflicts of interest should be referred to the Council's Monitoring Officer and the Company Secretary.

Council scrutiny

28. The LMT lead should ensure the Council's Overview and Scrutiny Board (OSB) is able to exercise its power in relation to scrutiny of the operation of local authority companies as part of its work programme.
29. The Council's Annual Governance statement, considered by Corporate Affairs and Audit Committee, should include reference to how the Council monitors and evaluates the effectiveness of the governance arrangements set out in this minimum standard.

Keeping a record

30. Minutes must be taken for all board meetings that provide a complete record of those present, declarations of interest, discussion, decision, and the rationale for it. They must be kept for 10 years.

Council performance monitoring of the Company

31. Quarterly reports on the performance of the Company, finance reporting, delivery of the company against its objectives as set by the Council, and its risk management arrangements should be considered by the appointing Council body, usually Executive, on a quarterly basis. This report should set out progress against an annual business plan that clearly articulates planned activity to achieve the aims of the company, address any internal or external audit recommendations.

Review – Is the company still the best vehicle to achieve the required objectives?

32. As a minimum, a review of the company, its structure and its delivery should be conducted by the Lead LMT member at least year to assess whether the business case for its establishment is still relevant, whether the company is operating as intended and is effective. The outcome of this review should be referenced in the annual report to the relevant Council committee. The CIPFA detailed guidance should be used to shape this review.

33. Questions to consider when assessing the effectiveness of the company include:

- Does the Board have the mix of skills, experience and knowledge in the context of developing and delivering the strategy, the challenges and opportunities, and the principal risks facing the company?
- Are the purpose, direction and values of the company clearly communicated and does the Board provide effective leadership in these areas?
- Are there succession and development plans in place?
- Does the board work together as a cohesive unit?
- Do key board relationships support the overall effectiveness of the Board?
- How effective are individual directors?
- Is the quality of information provided on the company and its performance sufficient to meet Shareholder requirements?
- Do the quality and timing of papers and presentations to the board support board effectiveness?
- Is the quality of discussions around individual proposals sufficient and is enough time allowed for proposals to be properly considered?
- Does the company secretary/secretariat support the Board effectively?
- Is there demonstrable clarity of the decision-making processes and authorities, looking back on key decisions made over the year?
- Are processes for identifying, reviewing and managing risks in place and functioning well?
- Can the board demonstrate that it communicates with, and listens and responds to, shareholders and other key stakeholders?

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Wholly and Partly Owned Council Companies

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	Approved by	Executive Member for Finance and Governance		
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	Service area	Governance, Policy and Information		
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Summary

1. This policy sets out how the Council will develop, operate, and review Wholly or Partly Owned Council Companies (WPOCC) to strike an appropriate balance between allowing a company the freedom to manage its activities and ensuring that its arrangements provide the Council with assurance that the company is required to achieve the Council's ambitions, the arrangement is providing value for money from activities and there are appropriate corporate governance arrangements in place.
2. The following sections outline:
 - Purpose
 - Definitions
 - Scope
 - Legislative and regulatory framework
 - Policy statement
 - Roles and responsibilities
 - Supporting policies, procedures and standards; and
 - Monitoring and review arrangements.
3. This policy also sets a minimum standard for the establishment, governance and review of any WPOCC (attached at Appendix 1) to support compliance with the aims of this policy.
4. The principle of "comply or explain" is expected in relation to following the requirements of this handbook. Compliance with the requirements contained here is mandated, unless there is a good, well-argued, evidence based and documented reason for adopting a different approach, agreed with the Council's S151 Officer and Monitoring Officer. Constitutional and legal requirements must still be followed.

Purpose

5. Through the implementation of this policy, the Council aims to ensure any companies established that it either partly or wholly owns:
 - Are only established following completion of the business case process as set out in the Council's Project and Programme Management Framework which identifies that there is a compelling business case that meets the standards set out in the supporting Minimum Standard
 - Have appropriate controls and freedoms, with sufficient control for the Council, to ensure that its investment is protected, appropriate returns on investment can be obtained and that the activities of the entity are aligned with the values and strategic objectives of the Council
 - Have clear understanding of roles and responsibilities between the Council and any wholly or partly owned council companies. Roles involved in the oversight and operation of the company are occupied by those with the skills and experience to deliver them
 - Have in place arrangements that ensure regular assurance is provided and that the entity continues to be relevant and required.
6. Effective implementation of this policy will ensure that the Council understands its wholly or partly owned council companies, how they contribute to strategic priorities and provision of assurance around good governance.

Definitions

Wholly or Partly Owned Council Company	A separate legal entity, either partly or wholly owned by the Council, established to deliver a specific range of functions and/or commercial activity following the agreement of the appropriate decision-making body within the Council.
Value for Money	Wholly or Partly Owned Council Company uses resources in a way that creates and maximises public value.
Company Governance	The governance arrangements that will be put in place and maintained during the life of the company in order to meet the requirements of this policy and supporting minimum standard.
Council shareholder	The position can be made up by a number of appointees or one individual who review the performance of the board and ensure investments and policy objectives are being delivered by the Company in line with Council expectations.
Company Board Chair	The chair provides clear board leadership, supporting the directors and chief executive of the entity and taking account of the shareholders views.
Executive Directors	They are focused on running the Council Company's business activities and implementing the boards plans and policies. They may be expected to be board members, although this is not essential.
Non-Executive Directors	Non-Executive Directors have a wider role, providing independent and constructive challenge. They are in place to bring independent judgment to bear on issues of subject matter expertise, strategy, performance, resources including key appointments and standards of conduct.
Nolan principles	Seven principles set out by Lord Nolan in 1995, including a code of conduct across public life, outlining the ethical standards public sector workers and elected officials are to adhere to.
Articles of association	Written, published rules that determine how the company is run and is agreed by the shareholders or guarantors, directors and (where there is one) the company secretary.
Shareholder agreement	<p>the shareholders' agreement is a confidential document, whereas the articles of association are open for the public to view at Company House. This may affect the decision about what is included in the articles of association and what should be kept private in the shareholders' agreement.</p> <p>Typically, a shareholder agreement will cover the following:</p> <ul style="list-style-type: none"> • The nature of the company and its purpose • The process for appointing and removing directors • How decisions about the company will be made • How disputes will be resolved • The shareholders' rights to information • How shares will be distributed and sold • Any restraint provisions on shareholders

Scope

7. This policy applies to all arrangements of the Council meeting the corporate definition of wholly or partly owned council companies outlined in this policy.
8. The policy applies to all elected members and employees of the Council (both permanent

and temporary).

Legislative and regulatory framework

9. Key elements of the legislative and regulatory framework relevant to partnership governance are set out below.

Localism Act 2011	The Act gave Local authorities new and broader general powers of competence in accordance with section 1 of the act.
Local Government Act 2003	Gives Local Authorities the power to set up companies to trade with a view to making a profit in relation to any of their existing functions.
Companies Act 2006	<p>Sets out statutory duties of directors of companies to be legally responsible for running the company and providing information on the company's structure and operation to Companies House.</p> <p>Duty on Company Directors to act in the best interests of the company to promote its success including that they must consider the:</p> <ul style="list-style-type: none"> • consequences of decisions, including the long term • interests of its employees • need to support business relationships with suppliers, customers and others • impact of its operations on the community and environment • company's reputation for high standards of business conduct • need to act fairly to all members of the company.
The Five Case Business Model: HM Treasury, Government Green Book.	HM Treasury Green Book approach to public sector investment, adopting the five-case model, as set out in the ' Guide to Developing the Project Business Case, Better business cases: for better outcomes '.
Freedom of Information Act 2000	If the company is wholly owned by one Local Authority, it will be subject to the Act. If it is owned by more than one Council, it is exempt.

10. This policy is also shaped by best practice guidance published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

Policy Statement

11. Each existing or prospective wholly or partly owned council company will have a lead manager of appropriate seniority who sits on the Council's Leadership Management Team. The lead will be responsible for ensuring that wholly or partly owned council companies are developed, governed, and reviewed in line with this policy.

12. Development of any new wholly or partly owned council companies will be a project and be managed in line with the Council's Programme and Project Management Policy and supporting framework.

13. All formal wholly or partly owned council company agreements and structures proposals (incorporated partnerships or other) will be agreed by the Director of Legal and Governance Services prior to approval following approval of a robust business case, in line with the Council's Programme and Project Management Policy.

14. All wholly or partly owned council companies will meet the minimum standard of governance set out in the Minimum Standard appended to this policy.

15. Once established, the performance of wholly and partly owned companies will be reported **quarterly** to the Executive and Lead Manager, and updates to Overview and Scrutiny Board at least annually. Reporting will cover ongoing compliance with this policy, activity and its alignment with the Council's objectives.

Roles and key responsibilities

Executive Members	Responsible for agreement of this policy and adhering to it when acting in line with this policy in their Executive Member capacity or Council appointed company role.
Elected Members	<p>Elected members may be appointed to wholly or partly owned Council companies' boards and will scrutinise the performance of such Council companies in line with its governance arrangements and their appointed roles.</p> <p>Members must be aware of their responsibilities under the Local Code of Corporate Governance and Codes of Conduct for members and employees and ensure that the Council companies that they are involved in comply with this policy. Any concerns should be escalated to Monitoring Officer of the Council.</p>
Company Directors	<p>Act within their powers under the company's constitution. promote the success of the company. A director must act in a way that they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members (shareholders) as a whole.</p> <p>Directors must exercise independent judgement, developing their own informed view of the company's activities.</p> <p>It is the responsibility of all directors to avoid or manage conflicts of interest which may affect their objectivity. If situations arise which impose multiple claims on a director's attention or loyalty, it is essential that they disclose them to fellow board members. It will then be up to the other non-conflicted board members (or the shareholders, in some cases) to decide how to manage or approve the conflict and maintain the integrity of the board's decision-making process.</p>
Company Shareholder Representative	The designated shareholder(s) responsible for representing the Council's ownership of the wholly or partly owned council company also detail how to report on the exercise of delegated powers which should be set out in the constitution.
Monitoring Officer	Provide advice on partnership models and governance arrangements where appropriate and signs off all formal arrangements prior to approval. Be provided with regular assurance that the company is operating in line with expected governance arrangements.
Section 151 Officer	Ensure the proposed company's arrangements will provide the

	Council with Value for Money. Be provided with regular assurance that the company is continuing to provide Value to Money.
Leadership Management Team Lead	Responsible for ensuring any proposed company is established in line with this policy. Once a company is in operation, ensuring that appropriate assurances are provided back to the Council on the governance of its operation and value for money delivery. Providing regular assurance around the ongoing need for the company to be maintained.

Supporting policies, procedures and standards

16. The following policies, procedures and standards will be implemented across the Council to support effective partnership governance.

Risk and Opportunity Management Policy	Sets out how the Council will ensure that risks are effectively managed, and opportunities exploited to maximise delivery of strategic objectives, fully integrated with performance management arrangements.
Performance Management Policy	Sets out how the Council will ensure that performance is effectively managed to deliver strategic priorities for the town.
Programme and Project Management Policy	Sets out how the Council will manage its portfolio of programmes and projects to ensure delivery to scope, cost, time and quality.

Monitoring and Review Arrangements

17. This policy will be reviewed every three years, unless there is significant development that would require a more urgent review e.g., new legislation.