

Commercial Ventures Executive Sub-Committee

Terms of Reference

Background

The Council has established a Commercial Ventures Executive Sub-Committee, which is a Sub-Committee of the Executive established to monitor the performance of, and take decisions on, the Council's existing and potential commercial ventures and other investments. This includes undertaking all functions of the Council as a shareholder under the Companies Act 2006 in relation to those companies or partnerships owned, or part owned, by the Council, except as otherwise specified.

The Sub-Committee will meet quarterly to consider performance information and take decisions regarding commercial ventures and investments, with scope to call additional meetings on as required to deal with emerging business.

The Commercial Ventures Executive Sub-Committee is established with regard to the findings of the Commercial Governance Review of 2018/19, and it shall have regard to the findings of the review in undertaking its functions. In undertaking all matters relating to commercial ventures, it shall conduct these in accordance with the Commercial Governance Framework, which was adopted by the Executive on 18 March 2019. This Commercial Governance Framework forms Appendix 1 to these terms of reference.

Purpose

To consider and take decisions with regard to the potential establishment of commercial ventures and the undertaking of other investment activities by the Council.

To exercise the function of the Council as a shareholder or partner, in relation to companies, partnerships or other commercial entities owned or part owned by the Council.

To monitor and review the performance of commercial ventures undertaken by the Council, and to take decisions on the management of those commercial ventures.

To monitor and review the performance of investment activities undertaken by the Council, and to take decisions on the management of those investments.

Remit

1. To agree the incorporation and the proposal of winding up of companies, subject to relevant shareholder agreements, by the Council, to be conducted in accordance with the requirements of the Commercial Governance Framework, as set out in the terms of references of the Executive Sub-Committee. As identified in the framework, in consideration of these matters, the Executive Sub-

Committee shall have regard to the 'Golden Rules' of the framework, and shall consider the requirements of the Initiation and Planning checklist on a comply or explain basis.

2. To undertake all functions of the Council as a shareholder under the Companies Act 2006 in relation to companies owned and part owned by the Council, which may include without limitation:

- To determine Shareholder Agreements between the Council and the companies, including Business Plans.
- To appoint and dismiss directors of the companies (where power is reserved to the shareholder), including appointment and dismissal of non-executive directors.
- To agree any Directors Service Agreements and associated remuneration.
- Appointment and removal of Company Secretaries and Auditors.
- To agree any resourcing agreements between the Council and the companies for the use of Council staff and facilities and reimbursement for the same.
- To agree any loan agreements or draw-down of Council financing (subject to funds being made available by Council).
- To agree any reserved matters required by the Articles of Association or Shareholder Agreement.
- To agree the Articles of Association or any amendment thereof.

All shareholder functions are to be undertaken in accordance with the Council's Commercial Governance Framework.

3. To agree on behalf of the Council resourcing agreements for companies established by, and being established by, the Council to use Council staff and facilities in furtherance of their business.
4. To agree write-off of debts owed by Companies established by the Council to the Council, in consultation with all Executive Members .
5. To agree all matters in relation to the following, in line with the priorities in the Council's Capital Investment Strategy:
- Loan, Grant, and Draw Down agreements with regard to commercial ventures established by, and being established by, the Council.
 - Investment in properties.
 - Other capital investments.
 - Performance of investments.

These matters to be agreed within limits approved by the Executive and Full Council as appropriate.

6. To monitor and review the performance of commercial ventures and other investments undertaken by the Council, and to manage those commercial ventures and investments in accordance with the Council's Commercial Governance Framework. As identified in the framework, performance of commercial ventures shall consider the requirements of the Execution and Closure checklist on a comply or explain basis.

Membership

Membership will comprise a minimum of 3 Members, appointed by the Leader of the Council, including the Leader, Deputy Leader and Executive Members with responsibility for finance and investments. As a sub-committee of the Executive, there are no political balance requirements.

Membership will be reviewed from time to time and any changes or further appointments required will be determined by the Leader of the Council.

Only members of the Executive may sit and vote on the Sub-Committee. Substitutes may be permitted at the discretion of the Leader, and must also be members of the Executive.

Additional Members may be invited to attend and speak at meetings of the Sub-Committee, where they can offer expertise and advice to support the work of the Sub-Committee.

Chair

A Chair shall be elected at the first meeting of the Working Group in any Municipal Year.

Quorum

The quorum of the Executive Sub-Committee will be not less than 3 (three) of the appointed members of the Executive Sub-Committee.