

**Report of the Director of Customer Services and Business Support  
(Portfolio of the Executive Member for Finance & Performance)**

**Council Owned Companies**

**Summary**

1. This report reminds Members of the role of the Shareholder Committee and gives background as to the business on the agenda for this meeting.

**Recommendations**

2. Members are asked to:
  - a) Note the report

Reason: To ensure proper governance of Council companies.

**Background**

3. In 2016 the Executive approved new governance arrangements for Council companies. These included the establishment of the Shareholder Committee. The Committee's terms of reference allow it to act, in a large respect, as the owner of the company. Importantly this includes monitoring each company's performance and financial delivery against strategic business plans and making decisions on those reserved matters which, within each company's governance documents, require shareholder approval. This role is distinct from that of the company directors which is to manage the operation of each company.
4. At its meeting earlier in March the Committee agreed to adopt a pattern of meetings allowing a presentation from each company to be considered twice a year. The general intention is to allow the Committee to consider and approve business plans for the forthcoming year at one meeting and to receive a report on performance over the previous year at the second meeting. There may be a need for some flexibility on that arrangement to fit individual company's planning requirements but both planned and actual performance will be reported to the Committee over an annual cycle.

5. As these are companies which operate in commercial markets there will inevitably be a need to deal with some business in private and especially where the Committee is approving business plans when their competitors might find it advantageous to know what plans there are to grow the company's business. These constraints are less likely to apply when the Committee is considering past performance.
6. At this meeting the Committee is considering the business plans for the forthcoming year of Make it York and Veritau.

### **Make it York**

7. Make it York Limited was established by the City of York Council to develop and promote York. It is responsible for tourism marketing, Science and Innovation, city centre management, events and festivals, business support and inward investment.
8. Make it York is a company limited by share with the Council being the sole shareholder. The company has a service level agreement with the Council and receives income from it but the majority of its income comes from other sources.
9. Although local authority owned, the company is a partnership between the public and private sector. This is reflected in the make up of the Board which is predominantly drawn from the private sector.
10. The Company's Articles set out a number of decisions for which the Company Board must seek approval from their Council owners. These include adopting or amending the strategic business plan in respect of each financial year.

### **Veritau**

11. Veritau was established by the City of York and North Yorkshire County Councils to provide a governance framework for the provision of a shared assurance service, including internal audit, counter fraud and information governance services. The precise services provided vary between each Council.
12. Veritau has a subsidiary company which provides similar services to a number of North Yorkshire District Councils.
13. A shareholder's agreement sets out a number of decisions for which the Company Board must seek approval from their Council owners. This

includes the establishment of the annual business plan. Veritau will present that plan to the meeting.

#### 14. **Specialist Implications**

Legal – these are contained within the body of the report

There are no specific other implications associated with the report which should be specifically reported.

#### **Contact Details**

**Author:**

Andy Docherty  
Assistant Director

**Chief Officer Responsible for the report:**

Ian Floyd  
Director CBSS

**Report  
Approved**



**Date**

22 March 2017

**Wards Affected:** List wards or tick box to indicate all

**All**

**For further information please contact the authors of the report**

**Background Papers:**

None

**Annexes:**

None