

**BRISTOL CITY COUNCIL (the “Council”)
SHAREHOLDER GROUP - TERMS OF REFERENCE**

Background

1. The Council has established Bristol Holding Limited (**Holding**) as a wholly owned company limited by shares. Holding has three wholly-owned subsidiaries: Bristol Energy Limited; Bristol Waste Company Limited; and Bristol Energy & Technology Services (Supply) Limited. These companies are collectively referred to as the “**Council Companies**” for the purposes of these Terms of Reference.
2. Shareholding is an executive function, vested in the elected Mayor of Bristol (**Mayor**). The Mayor therefore has the authority to determine how the Council is to be represented in its role as the shareholder of the Council Companies.
3. The Mayor has decided that a Shareholder Group be established to provide a mechanism by which the Council, as shareholder, can engage with the board of directors of each of the Council Companies. The Mayor has also decided that, in exercising his/her responsibility for the shareholder function, s/he will be advised by the Shareholder Group.
4. Responsibility for the day to day operation and management of the Council Companies does not vest in the Shareholder Group but rather in the respective Council Company’s board of directors, which must ensure that the Council Companies’ business is conducted in accordance with the terms of the Shareholders’ Agreement entered into between the Council and the Council Companies (**Shareholders’ Agreement**) and in accordance with each Council Company’s articles of association.
5. The Mayor has the right to delegate responsibility for the shareholder function to a Cabinet member (**Delegate**), if s/he wishes. For the purposes of these Terms of Reference, references to the ‘Mayor’ shall include references to the ‘Delegate’, unless otherwise stated.

Decision making

6. The Mayor has authority to make decisions in respect of the Council Companies independently. However, ordinarily, it would be expected that the Mayor makes decisions regarding the Council Companies either:
 - a) in Cabinet; or
 - b) in the presence of a majority of the SHG Members, defined in paragraph 11.

Functions

7. The functions of the Shareholder Group are to advise the Mayor in relation to:
 - a) the matters reserved to the Council (**Reserved Matters**) pursuant to the Shareholders’ Agreement and articles of association;
 - b) any other responsibilities pursuant to the Shareholders’ Agreement, including considering any variations proposed in relation to it; and

- c) any matters on which the Mayor must act or reflect which arise as a result of the Council being a shareholder of the Council Companies, including but not limited to:
 - i. monitoring the performance of the Council Companies (including in relation to their Business Plans);
 - ii. overseeing the strategic direction of the Council Companies;
 - iii. considering the risks and opportunities faced by the Council Companies and their impact on the Council (including, for example, in relation to commercial factors, governance issues, and health and safety records);
 - iv. reviewing the extent to which the Council Companies are delivering social value and maximising this where possible;
 - v. ensuring that Bristol Waste Company Limited's status as a 'Teckal' company is maintained
8. Each SHG Member should read and understand the following documents which set out the shareholder function:
- (a) Shareholders' Agreement;
 - (b) Scheme of Delegations;
 - (c) Articles of association of each Council Company; and
 - (d) The Governance of Council Interests in Companies – A Code of Practice.
9. The Shareholder Group shall also advise the Mayor, upon his or her request, in relation to any other companies that the Council has a direct or indirect interest in.
10. Any decisions made by the Shareholder Group in respect of any Council Company must be notified to the board of directors of the relevant company as soon as is reasonably practicable.

Membership

11. In addition to the Mayor, the Shareholder Group shall ordinarily consist of:
- a) at least two members of the Cabinet, as selected by the Mayor;
 - b) two co-opted members, who will be independent persons providing relevant expertise and appointed by the Mayor on merit;
 - c) relevant senior officers of the Council, as selected by the Mayor;
 - d) the Chair of Overview and Scrutiny Management Board (**OSMB**), as a member of the Council from outside of the Cabinet, to act in the capacity of observer;
 - e) the Section 151 officer;
 - f) the Monitoring Officer; and
 - g) any other individual that the Mayor invites to participate on an interim or permanent basis,
- together being the **SHG Members**.
12. The Mayor has the right to vary the above composition of the Shareholder Group at any time.
13. The Mayor may establish and consult any standing, ad hoc, task and finish or stakeholder sub-groups (**Groups**) and may require that the Shareholder Group

cooperates with any such process. Any such Groups may, if so instructed by the Mayor, act with the delegated authority of the Mayor in respect of the Council Companies.

14. The Mayor may also consult with the OMSB and the Council's Audit Committee on matters relating to the Council Companies and the Shareholder Group shall cooperate with any such process.

Meetings

15. As an advisory body, the Shareholder Group is not a decision making body for the purposes of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 (**Regulations**), and so it is not required to hold its meetings in public.
16. The Shareholder Group shall meet on a basis established by the Mayor, but ordinarily this will be on a monthly basis.
17. Meetings may be convened in a physical location, or by telephone call or email.
18. In the event that any SHG Member cannot participate in a meeting on a particular occasion, they may request that the Mayor permits an alternate to attend in their place.
19. Any individual participating in the Shareholder Group from time to time must have regard to any actual or potential conflicts of interests (**Conflicts**) between their existing role(s) and the items to be considered by the Shareholder Group. Any individual with a Conflict should declare it to the Mayor as soon as possible.
20. Ordinarily, at least three clear days' notice of a meeting would be given to the SHG Member, but shorter notice may be given where necessary.