

# Audit Committee

25 September 2023



**Report of:** Director: Legal and Democratic Services

**Title:** Update regarding Governance changes relating to the councils wholly owned companies.  
- September 2023

**Ward:** N/A

**Officer Presenting Report:** Director: Legal and Democratic Services

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## Recommendation

That Committee Members note the summary of Governance changes being led by the Shareholder to the way Bristol City Council manages its interests in its wholly owned companies.

In particular, to note, that this year, the committee will receive two reports from the separate Bristol Waste Company, and Goram Homes 'Audit and Risk Assurance Committee's now that the Bristol Holding Ltd Group 'Audit and Risk Committee' has been disbanded.

## Summary

Since 2018, the council has managed its interests in its companies via a holding company governance structure, by which Bristol Holding Ltd as parent company of the group, reporting to the Shareholder Representative on a weekly basis and provides support and assurance to the council's advisory Shareholder Group on a quarterly basis.

In response to the now smaller Bristol Holding Ltd group, and recent governance reviews, changes have been made to the way that BCC manages its relationships with this companies Goram Homes Limited (Goram Homes) and Bristol Waste Company Limited (Bristol Waste).

## 1. Background

- 1.1 Since 2015, Bristol City Council has been the shareholder of several companies so that it can expand and commercialise services and invest the profits back into the city.
- 1.2 The role of Shareholder is carried out by the Mayor or delegated to a Cabinet member, supported by an advisory group known as the Shareholder Group.
- 1.3 The council directly owns Bristol Holding Limited (the Holding Company), which is the parent company of two trading companies:
  - Bristol Waste Company Ltd.
  - Goram Homes Ltd.
- 1.4 The council as shareholder sets the strategic direction for each company and approves certain material decisions, called 'reserved matters', for each company.
- 1.5 By owning these companies, the council makes sure:
  - a high standard of services is provided to all citizens
  - a commercial approach is taken which secures value for money and optimises all available resources
  - there is effective governance and transparency
  - ethical standards are embedded, ensuring the well-being and protection of the work force in the companies
- 1.6 In November 2021, BCC Audit Committee received an update on a series of actions in train to in respond to recent Governance reviews, in the following report:

*"Update regarding management actions in relation to Grant Thornton and Shareholder Governance Review Recommendations – Audit Committee Report, 23 November 2021"* available at <https://democracy.bristol.gov.uk/mgChooseDocPack.aspx?ID=10299>

## 2. Summary of Governance Changes which have taken place 2021 and 2022

### **Development of the role of 'Strategic Client' and increased information sharing between client and shareholder functions within the council.**

- 2.1 There is now a greater level of input from the Clients providing advice to the Shareholder group, and a clear understanding, shared by all parties that the strategic objectives for each company are set by the Strategic Client. The role is exercised by the Director of Growth and Regeneration with support from the relevant Service Directors responsible for the operational waste, FM and housing delivery operational clients.
- 2.2 This has improved effectiveness of communication between the companies and council and increased collective capacity for solving problems collaboratively.

**Bristol Holding Ltd (Shareholder assurance focus), and the Strategic Client (Company/council strategic alignment focus) come together in new forum called the 'Companies assurance meeting.'**

2.3 This multidisciplinary group meets prior to the Shareholder group to review quarterly performance reports, and business plans, and a group risk assessment produced by the Bristol Holding Ltd. FD to provide 360-degree view of company health. In establishing this forum, the meeting pulse (flow of meetings) has been reviewed and optimised.

#### **Changes to the size and role of Bristol Holding Ltd.**

2.4 In line with the recommendation of the '2021 Shareholder Governance Review', in autumn 2022, and summer 2023, the position regarding whether Bristol Holding Ltd. (BHL) should be wound down in entirety to a shell, was reviewed in light of the reduced size of the group following the successful transfer of Bristol Heat Networks Ltd. into the City Leap arrangements.

2.5 It was concluded by the Shareholder representative and the Chief officers that it was necessary and desirable to retain BHL to provide assurance to the BCC as Shareholder in a leaner and more agile form for the time being, subject to regular and ongoing review.

2.6 The following functions previously undertaken by BHL have been either transferred to BCC's shareholder liaison team or to the companies themselves.

- Management of the Group Audit and Risk Committee and Group Remuneration Committee – disbanded and separate 'Audit and Risk Assurance Committees' and 'Remuneration committees' have been set up under the Goram and BWC boards.

**Committee members are asked to note that from 2023, the BCC Audit Committee will receive two reports from the separate Bristol Waste Company, and Goram Homes 'Audit and Risk Assurance Committee's now that the Bristol Holding Ltd Group 'Audit and Risk Committee' has been disbanded.**

- Management of the 'Reserved Matter decision' process – Transferred to BCC
- Provision of group Company Secretarial services – Transferred to BCC/Subsidiary companies

2.7 The 'leaner' BHL retains responsibility for:

- Providing business and commercial assurance in relation to the health of the companies to the Shareholder and Strategic Client, eg. regarding business plans, performance and financial reports
- Overseeing the transition all functions and reporting from a group ARC to subsidiaries 'Audit and Risk Assurance Committees'
- Maintaining a group risk register and reporting on risk to BCC
- Overseeing the accounts consolidation process
- Overseeing the ongoing liquidation process in relation to BE 2020
- Management of the BHL entity and other group financial administration matters

2.8 Taken together this has meant that since November 2021, the size of the BHL has reduced from a board of four Directors, and approximately 4 FTE staff members) to a board of two, consisting of the Independent Non-Executive Chair, Alex Wiseman and the Council nominated director, (Cllr Marley Bennett), plus one 0.6FTE Interim Group Finance Director, Chris Smith.

2.9 At this stage, it has been decided that there will be no further move towards completely winding BHL down to a shell, this side of BCC's transition to the committee system, for the following reasons:

- The BWC and Goram homes ARAC's, have made strong starts, but have not yet reached full maturity, and will do so at different rates, so in the interest of caution, the Shareholder Group wish to monitor the development of these committees, and commission an external review of the arrangements before BCC removes BHL's assurance role in its entirety.
- There is a need for further detailed consideration as to how the remaining BHL functions will be delivered in the event of the company becoming a shell, eg. either via client functions, shareholder liaison or other multidisciplinary groups of officers, acknowledging that BCC Finance is a 'lean' function at present and unable to take on all responsibilities.
- There are still some potential benefits of retaining the flexibility of an agile BHL, so that BCC has the option to commission assurance services/commercial expertise with respect to other commercial ventures.
- Guided by an estimate provided by the external reviewer of the Group Audit and Risk Committee that the ARAC's will take 18-24 months to reach maturity, BCC intends to return to the question of the role of BHL in 2024.

### **3. Update on Grant Thornton Recommendations from VfM report January 2021 and September 2021**

- 3.1 Appendix A and B contains the final update on all Grant Thornton recommendations from their January 2021 and September 2021 reports on company governance which were undertaken following the sale of Bristol Energy Ltd.
- 3.2 The governance reviews have resulted in a variety of changes to the way which BCC governs its companies, in particular strengthening decision protocols, improving record keeping and management of exempt information, keeping councillors informed, and more clearly defining roles and responsibilities.
- 3.3 Agreeing the current position of role of Bristol Holding Ltd. and the bedding in of the role of the Strategic client have allowed all but one of the final outstanding actions to be closed, which is substantially complete and expected to be closed in the next 6-8 weeks.
- 3.4 It should be noted that:
  - Final reporting on the financial position following the BE 2020 liquidation is still subject to finalisation and will continue to be reported to councillors, but due to the long tail of this action it is recommended that this is closed now.
  - All governing documents and guidance produced is kept under constant review to ensure it remains fit for purpose and will be subject to further amendment to reflect changes in the council's governance system, see below.

### **4. Planning for the introduction of a council wide committee system of governance in 2024.**

- 4.1 Consideration of the impact of the committee system on the exercise of Shareholder (Executive) functions, and the company's governance structure as a whole is taking place through the 'Committee Model Working Group' (CMWG) which meets monthly.
- 4.2 At this stage, it is expected that the impact of introduction of the committee system on the

company governance structure will be limited to:

- A change in the way that the 'Shareholder Representative' role in the council is managed.
- A change to the way in which 'key' and 'non-key' decisions are made in respect of the companies.
- A change in key personnel and attendees of the Shareholder group

4.3 It is expected that other aspects of the governance structure including company board and committee structure, role of BHL and council appointed directors will be unchanged at least initially.

## **5. Recommendations**

5.1 That Committee Members note the update provided, and that the committee will receive two reports from the separate Bristol Waste Company, and Goram Homes 'Audit and Risk Assurance Committee's moving forwards.

## **6. Appendices:**

A. Shareholder Liaison Governance Tracker (Recently closed actions)

B. Shareholder Liaison Governance Tracker (Previously closed actions)

## **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

### **Background Papers:**

1. Update regarding management actions in relation to Grant Thornton and Shareholder Governance Review Recommendations – Audit Committee Report, 23 November 2021

<https://democracy.bristol.gov.uk/mgChooseDocPack.aspx?ID=10299>

# RECENTLY UPDATED ACTIONS

Recommendation	Management Action	Deadline	Responsible Officer	Update to Audit Committee 23/11/21	Update to Audit Committee 11/09/23	
5	The Council should update the articles of association and shareholder agreement to reflect the strengthened role of Bristol Holding Limited. The terms of reference for all elements and functions of the governance structure should be in place and updated.	A Governance Review has already been commissioned to help inform the update of the articles of association and shareholders' agreement, to take into account Bristol Holding's role. This was placed on hold subject to the completion of this Value for Money review and can now be progressed. The Terms of Reference for the Shareholder Group will be updated as part of this review. A series of guidance notes are being devised to illustrate the governance structure and the workings of the governance arrangements for inclusion in the company's handbook.	Oct-21	Director: Legal & Democratic Services	<p>The Governance Review was completed in Summer 2021 and the decision has been taken to retain Bristol Holding in substantively its current form until the outcome of the City Leap procurement is known, at which time the position will be reviewed again to ensure proportionate governance arrangements are in place.</p> <p>A 'Group Collaboration Note' is being drafted to clearly set out the roles and responsibilities within the Group and will be agreed by the end of December and the articles of association and shareholders' agreement will be reviewed to take into account any amendments required.</p> <p>The Terms of Reference for Shareholder Group were revised and approved on 11 March 2021.</p> <p>A number of Guidance Notes have been agreed for inclusion in the Company Handbook, including on the reserved matter decision making process and the business planning process.</p>	<b>Complete</b> - As of May 2023 it has been determined that the Holding Company Group structure will remain in place for the foreseeable future, but remain under regular review. It has been identified that the Shareholder Agreement and Articles in their current form are substantially accurate with respect to the agreed role and function of Bristol Holding Ltd, and in the process, a broader set of general 'housekeeping' changes have been identified which will make the articles and shareholder agreements clearer. These additional amendments are currently in the process of being agreed with the Company Boards before the documents are formally adopted. The Shareholder Group TOR and Companies Assurance Meeting TOR are updated and agreed. The Companies handbook has been updated in line with the changes to the role of Bristol Holding.
6	The Council should agree and consider if the client function role is appropriate for each of its companies and document the role and responsibilities for those companies where it is agreed.	We acknowledge that it was a challenge for the council to act as a client function due to commercial energy retail being outside of the council's core services, increasing reliance on the use of external advisers. We note that this is not an issue in terms of the council's other companies. A Governance Review has already been commissioned to consider the client function, and how it can be strengthened to ensure that roles and responsibilities are clear across the Group and the Council. We have already included the 'strategic client' within Shareholder Group to ensure that the Shareholder Representative has additional appropriate strategic advice relating to each company when taking decisions at the Shareholder Group meetings. We will consider introducing a similar arrangement to support the weekly Companies update provided at the Cabinet Member Briefings.	Oct-21	Chief Executive	<p>The Governance Review was completed in Summer 2021 and recommended that the Strategic Client role be strengthened. This is now underway by the introduction of quarterly meetings between the Strategic Client and the companies. The Strategic Client has been attending Cabinet Member Briefings since February 2021.</p> <p>The roles and responsibilities of the Strategic Client, and the wider client function, will be clearly set out in the Group Collaboration Note.</p> <p>The City Leap client function is being considered by the City Leap Project Board and a steering group including relevant Heads of Service, and specialist support is being obtained to develop an effective client structure. This will take into account the assumption that Bristol Heat Networks Limited will transfer to City Leap.</p> <p>See also the status update against Recommendation 5.</p>	<b>Complete</b> - The Council has reviewed, with the support of Internal Audit the Client functions of the trading companies, and concluded that the role is appropriate for each of its companies. The role and responsibilities of the Strategic Client and operational clients and key governance forums are set out in the Companies Handbook.

Grant Thornton Follow Up Report, September 2021

Recommendation	Management Action	Deadline	Responsible Officer	Status Update to Audit committee - 23/11/2021	Update as of 30th August 2023 (taken to SHG on 4th September 2023)	
1	The Council should consider communicating to the public the full cost of operating and winding down Bristol Energy.	Liquidation remains an evolving process and as such confirmed final costs are not available and could not be communicated. However, reactive media relations have been transparent about this, with a January 2021 media statement from the Mayor including: "These accounts do not give the final financial picture but do demonstrate that our lost investment in Bristol Energy remains within the financial envelope of £37.7m approved by Cabinet in April 2019. A further £7.3m of risk reserves to cover indemnities was set aside at the same time, and how much of this will be drawn upon cannot be confirmed until our accounts for 2020/21 are appropriately audited and filed next year." We will consider the appropriate mechanism for communicating the direct financial cost to the public once liquidation is complete (this will not include speculative opportunity costs such as Council staff time), and the audited accounts for the relevant year will detail the final position.	Subject to completion of the liquidation process	Director: Policy, Strategy and Partnerships	<p>Members Voluntary liquidation is in progress; however, this work is expected to take up to a further 18 months. The overall costs of the liquidation look likely to be in line with those outlined in the GT2 report, although this cannot be confirmed until the liquidation process is complete.</p>	<p><b>To be closed</b></p> <p>The Members Voluntary liquidation process is still progressing, the final industry reconciliations have a long tail; and the final position cannot be confirmed until this process is complete. Liquidation of BE2020 Ltd is currently expected in Nov 24 and it is still anticipated that the overall position will be contained within the figures previously outlined by the Council and stated in the Grant Thornton report.</p> <p>Suggest given the long tail of this action that it is agreed with GT that this can be closed down.</p>

2	<p>In order to support key decisions relating to significant projects the Council should ensure an options appraisal that is fit for purpose is completed prior to completing a business plan.</p>	<p>The Council has a culture of continuous improvement and will seek to strengthen option appraisal techniques to support evidenced based decision making. Providing a framework or protocol for Officers (incorporated within the Companies handbook and financial protocols published on the Source), that can be consistently applied in ensuring that where required the identification and appraisal of options, is undertaken as objectively as it can be.</p> <p>This will ensure that Officers look at the different ways of achieving the changes and outputs required, pros and cons of each (financial and non financial) and clear rationale for determining the option which best meets the requirements and ensures value for money (VFM) is secured prior to completing a business plan.</p> <p>The resulting business plan should provide a clear audit trail of how the preferred option has been reached and that it works best financially for the Council and for best meeting the aspirations and needs of the community.</p>	31-Mar-22	Director: Finance	<p>Work has commenced within Finance and the Shareholder Liaison service to define the scope and reach of this piece of work. Action ongoing.</p>	<p><b>Partially Complete</b> - An options appraisal guidance note has been produced which will be provided to all officers looking to draft business plans for commercial ventures, as well as the Legal, Finance or other professional advisors who will be responsible for including advice on decision making reports. The guidance note reinforces government best practise with respect to the drafting of business cases and options appraisals and the 2022 CIPFA good practise guidance in relation to the Local Authority Companies. Due for upload to source in autumn 2023 following sign off. The guidance note will be made available in draft form to officers who require it in the meantime.</p>
3	<p>Where the Council is working with external advisors on complex projects it should better document its response against all recommendations made.</p>	<p>Guidance and training for officers will be prepared to ensure that due regard is had to all recommendations proposed by external advisors on complex projects. The advice and any recommendations proposed by external advisors will be clearly presented to decision makers, and the preferred approach being recommended by officers will be clearly set out and this will be emphasised in the guidance and training for the Companies handbook.</p>	31-Mar-22	Director: Legal & Democratic Services	<p>Work has commenced within the Shareholder Liaison service to define the scope and reach of this piece of work. Action ongoing.</p>	<p><b>Complete</b> - The options appraisal guidance note (see recommendation 2) states that where the Council is working with external advisors on complex projects it should have due regard to, and document its response against all recommendations made.</p>

# PREVIOUSLY CLOSED ACTIONS

	Recommendation	Management Action	Deadline	Responsible Of	Update to Audit Committee 23/11/21	Status - 23/11/2021
1	Discussions and decisions made within exempt committee meetings should be recorded.	<p>It has not been custom and practice in Bristol to take minutes at the part of a Committee or Cabinet meeting dealing with sensitive or commercially confidential issues, but we have clearly stated when a meeting or part of a meeting will be closed to the public to enable confidential issues or exempt papers to be considered and the resulting decision (Cabinet) is recorded and published. We acknowledge that in looking back when the exemption no longer applies this appears to be a gap in our governance arrangements and lacks public transparency and as such propose to revise this approach within the Council for the future.</p> <p>We will put in place procedures to ensure that exempt committee and Cabinet meetings are minuted appropriately and signed off at the subsequent meeting as a true record and publish the decision taken in the exempt session.</p>	Feb-21	Director: Legal & Democratic Services	<p>We have put in place procedures to ensure that exempt committee and Cabinet meetings are minuted appropriately and signed off at the subsequent meeting as a true record and the decision taken in the exempt session is published. All relevant colleagues have been briefed on the new arrangements and management are monitoring implementation. The Working Group: To Oversee Agreed Management Actions (established pursuant to a motion passed by Full Council in February 2021) (Working Group) recommended that a policy setting out the approach to exempt information be produced, and this is being taken forward.</p>	Complete
2	Public reports should be consistent with the issues and concerns raised within exempt papers. The exempt papers should only provide confidential information which cannot be discussed within the public sessions.	<p>Whilst seeking to balance public transparency and as the only shareholder the responsibility for the protection of shareholder value, we had previously identified the need for additional information to be incorporated within the presentation of the council-owned companies' business plans. Content considered exempt for commercial reasons have been incorporated within the exempt business plans and continue to be significantly improved. We have worked closely with the companies over the last 12 months to ensure that exempt information is presented effectively and only includes information which cannot be discussed in public sessions.</p> <p>We will continue to improve the reports to ensure that exempt information is presented effectively, with appropriate redactions to ensure consistency in the information reported and that only information which cannot be discussed in public sessions is excluded.</p>	Ongoing	Director: Legal & Democratic Services	<p>We have reviewed our processes and receive ongoing professional advice from BCC Legal Services round the structure and content of exempt papers in Cabinet Report.</p> <p>In respect of Cabinet Reports relating to the companies specifically, the Cabinet Report in respect of the 21/22 Business Plans contained minimal exempt information (largely relating to costs/profit, land value, or commercial know-how). No public information was repeated in the exempt appendices. In contrast to previous years, the vast majority of the BCC Finance Comment was public. Clear cross-references to the exempt appendices were included in the body of each business plan for ease of reference and cover pages were included within the exempt appendices, where necessary, to illustrate what part of the business plan the content related to. The exempt appendices were clearly referenced in the main Cabinet Report, so that Councillors and the public were aware of the nature of the information that was exempt.</p> <p>The Cabinet Member's introductory remarks to the Cabinet Report on the Business Plans confirmed that changes requested by Shareholder Group had been incorporated and provided clarifications on a non-material change to the Bristol Holding Business Plan that had occurred since the council had received the final version, for full transparency.</p> <p>A Guidance Note on the management of exempt information and the business planning process have been agreed for inclusion in the Company Handbook to reflect this approach and the Shareholder Liaison Service has developed template text and guidance for use in future Cabinet Reports relating to the companies to ensure a consistent approach is taken each year.</p>	Complete



3	Cabinet reports relating to Bristol Holding Limited's companies which include exempt information should be improved. Exempt papers, should clearly identify and quantify the risks and advice provided by the Shareholder Group and any relevant independent advisors as well as the clear views of Bristol Holding Limited.	<p>We are committed to ensuring a high quality of discussion and decision making and note that exempt sessions of Cabinet invited views from the Shareholder Group and other representatives. We acknowledge that it would be beneficial to also capture these in the written reports. Risk assessments will be included in each Cabinet Report relating to the Council's companies and we will consider with the Shareholder Group how their advice, and that of other advisors and organisations, should be presented to Cabinet.</p> <p>The report template will be strengthened, and training provided where required to improve the quality of the report content and ensure key financial points and risks from the proposal and associated appendices are appropriately summarised in reports.</p> <p>In cases where logistics make it impossible to update written reports prior to publication, any additional views of Shareholder Group will be incorporated into Cabinet Member introductory remarks to ensure they are known to Cabinet.</p>	Apr-21	Director: Legal & Democratic Services	<p>Please refer to status update given in respect of Recommendation 2.</p> <p>The template text and guidance developed by the Shareholder Liaison Service in respect of Cabinet Reports relating to the companies clearly notes the dates on which the Shareholder Group reviewed the Business Plans and includes commentary from Shareholder Group (including views of the Independent Shareholder Advisor), Bristol Holding and the clients in separate appendices.</p> <p>The Working Group recommended that minutes of the Shareholder Group be made available to OSMB members and this is being taken forward.</p>	Complete
4	The Council should ensure Cabinet decisions are based upon more timely and current information.	<p>This finding highlights the governance challenge that was inherent in operating a commercial company in a high-paced, volatile marketplace whilst needing to serve the high levels of scrutiny, transparency and assurance which are required in local government. Consideration will be given to the governance pulse and how this could be streamlined from Shareholder Group to Cabinet, whilst still enabling appropriate Scrutiny and feedback to be considered and where appropriate, reflected in the plans / reports and further written confirmation of endorsement or recommendations obtained. In future, Cabinet Reports will be explicit about the date of the latest Business Plan upon which the report is based.</p> <p>We will also consider holding separate Cabinet meetings for budget and business plans to help ensure sufficient capacity is available for wider discussions should it be required at the point that a decision is taken.</p> <p>Utilising new IT systems available to officers, the version control of reports and appendices will be improved with appropriate report prompts and ensure that during iteration of proposals, the professional commentary of Business Partners is subject to a final review and only signed-off as complete at the end of the process.</p>	Apr-21	Director: Legal & Democratic Services Director: Finance	<p>Please refer to status update given in respect of Recommendation 3.</p> <p>The business planning timetable for 22/23 is being revised so that the Business Plans are considered by Shareholder Group in January, OSMB in February and Cabinet in March. This will ensure effective scrutiny of the plans, which can then be referred to in the Cabinet Report. It will also ensure that the Business Plans are being approved closer to the start of the financial year to which they relate, to ensure the content is relevant, and that there is adequate time on the Cabinet meeting agenda to consider the item (as the Business Plan Cabinet Report will no longer coincide with the Budget Cabinet Report).</p> <p>Version control measures have been strengthened to ensure that professional advisors are reviewing and commenting on the most up to date version of the Cabinet Report and that the date of their commentary is accurately recorded.</p>	Complete
7	Consideration should be given to the role of the Executive Chair of Bristol Holding. This should include if this role is appropriate going forward, and does it ensure independence of the chair and reduce potential conflicts.	<p>The revised Bristol Holding arrangements were intended to be reviewed. The Governance Review has been commissioned and the role of Executive Chair, independence and potential conflicts will be considered as part of the planned review. The Executive Chair post was filled on a fixed term basis in order to facilitate a revised approach if deemed appropriate as a result of this review.</p>	Oct-21	Chief Executive	<p>The Executive Chair will not be renewed at the end of October 2021, in line with one of the Governance Review recommendations. An independent Chair will be appointed and the Group Finance Director will absorb relevant executive functions.</p>	Complete

8	The Council should minimise the potential for conflicts of interest, such as the role of the Executive Chair, elected members and officers. To facilitate this, the Council should develop a conflicts of interest policy to ensure potential conflicts in relation to Council how companies are identified and managed appropriately. This could be incorporated within a company's handbook	The Council has in place procedures for declarations of interests for elected members and officers and proactively considers conflicts of interests on an ongoing basis. A formal Conflicts of Interests Policy is intended to be developed, along with supporting guidance, which will be incorporated into the company handbook which we have been developing. Training for elected members who are directors includes conflicts of interests and this element of the training will be further developed.	Apr-21	Director: Legal & Democratic Services	<p>The Guidance Note on conflicts of interest has been agreed and will be published as part of the Company Handbook. Detailed member induction training was given, which included the topic of conflicts. Following a recommendation from the Working Group, this training included general training made available to all members and advanced training available to members of OSMB, Audit Committee and member directors of company boards. External training is being arranged for all directors of the companies, including member directors, is being arranged for Autumn and will include training on conflicts of interest.</p> <p>Internal and external advice is being sought to in respect of any conflicts of interest that may arise as a result of the duplication of directors within the Group. The company secretaries are responsible for ensuring that any director conflicts are appropriately monitored and managed in accordance with the Companies Act 2006 and each company's articles of association.</p> <p>See also the status update against Recommendation 7.</p>	Complete
9	The Council should develop a mechanism to enable the Audit Committee to be sighted on potential exempt issues within their role and responsibilities and legal duties.	<p>In the Access to Information report presented to the November 2020 Audit Committee, it was acknowledged that the Audit Committee has a responsibility to ensure that key representations to the external auditors as part of the external audit are accurate and complete in line with ISA260 and other standards. The Audit Committee should be able to access such information, including exempt information, that is reasonably necessary for them to discharge this duty. The report also provided the Audit Committee with an overview of the legal framework relating to access to information by Members of the Council, including access to exempt information.</p> <p>We will continue to ensure that Audit Committee have the ability to see exempt information which is reasonably necessary for them to carry out their legal duties.</p>	Ongoing	Director: Legal & Democratic Services	<p>In March, information was provided to the Audit Committee, following discussion with the Chair and independent member of the Audit Committee and external auditors, setting out the types of information that the Audit Committee should receive in order to discharge their functions.</p> <p>A further report / appendix was provided to the Audit Committee in June, providing examples of the types of information that the Audit Committee will receive periodically or can request, in order to discharge their functions.</p> <p>The Working Group recommended that joint briefings for the Chairs of Audit Committee and OSMB on company matters be introduced, and this is being taken forward.</p>	Complete
10	The Council should consider publishing all reserved matter decisions relating to its companies and consideration should be given to how elected members access to confidential information relating to reserved matter decisions could be improved.	<p>Reserved Matter Decisions taken by the Shareholder Representative following receipt of advice from various members of the Shareholder group and officers are not key decisions (which are always taken by Cabinet), but they are nevertheless recorded in a formal Decision Record and tracked on a Decision Register.</p> <p>Consideration will be given to whether an equivalent process to Officer Executive Decisions (which are decisions which do not meet the criteria for a formal key decision to be taken at a Cabinet meeting but are considered important enough to be open to public scrutiny and as such published on the ModernGov website) can be adopted for these Reserved Matter Decisions.</p>	Apr-21	Director: Legal & Democratic Services	Summaries of all Reserved Matter decisions taken since 1 January 2021 have been published on the Council's website ( <a href="https://www.bristol.gov.uk/how-council-decisions-are-made/reserved-matter-decisions">https://www.bristol.gov.uk/how-council-decisions-are-made/reserved-matter-decisions</a> ) and will be published on a monthly basis.	Complete

11	Appropriate training should be provided on a regular basis to elected members who are involved in the Council's owned companies, in relation to decision making, scrutiny and the Audit Committee. This should include both sector specific training, roles and responsibilities and potential conflicts of interest.	<p>Training is routinely provided to all elected members who are involved in the Council owned companies and a training programme is currently being developed for elected members involved in the Council owned companies for 2021/22.</p> <p>We will engage with independent external parties such as Centre for Public Scrutiny and CIPFA on the development and design of the training to ensure its suitability for the various roles being performed by elected members in relation to our subsidiaries.</p> <p>Where required, external experts will support the training delivery. All newly elected members will also be given training on the companies as part of their induction process.</p>	Aug-21	Director: Legal & Democratic Services	<p>Member induction training was offered to all members in respect of the companies and an advanced session was offered to members of Audit Committee and OSMB and member directors of the companies, in line with a recommendation from the Working Group.</p> <p>External training is being arranged for all directors of the companies, including member directors, and ongoing support is available to member directors from the Shareholder Liaison Service.</p> <p>Officers are working with the Centre for Public Scrutiny and Governance to ensure a best practice approach to scrutiny post-election.</p>	Complete
12	The Council should improve the risk management arrangements to ensure that all key risks are identified and clearly reported to Cabinet.	<p>Steps have been taken during 2020/21 to strengthen the risk management framework in the Council and across the Council's subsidiaries and continues to be advanced in order to move further towards risk maturity and seamless embedding of risk management. Whilst ensuring its suitability and effectiveness, further consideration is being given to greater alignment with the risk matrix adopted by the Council and its subsidiaries, in terms of scoring, likelihood and impact to facilitate ease of collation and consistency in reporting.</p> <p>We propose that going forward the risk will be incorporated in the reports to Cabinet and where the lack of alignment prevents this, the full details will remain in the Business Plan and the significant risks and potential Council impact will be summarised in the officer comments to the report.</p>	Feb-21	Director: Legal & Democratic Services	<p>The risk management framework for the companies has been strengthened with a risk matrix and group risk register reported to every Shareholder Group. A methodology has been developed to map the risks against our BCC criterion to enable where appropriate a transition into the Corporate Risk Register.</p> <p>The 21/22 Business Plans, include the main risks in each business and the finance commentary in the Cabinet Report seeking approval for the Business Plans, included a summary of the risks in each. A similar approach will be taken in future years.</p> <p>The Group Audit and Risk Committee present an annual statement to the council's Audit Committee and attend the Audit Committee meeting to respond to associated matters in public or exempt that the Committee may wish to discuss.</p>	Complete - to be regularly reviewed
12	The Council should improve the risk management arrangements to ensure that all key risks are identified and clearly reported to Cabinet.	Subsidiary and Investment risks will be disaggregated from the 'long term commercial investments and major projects risk' (CRR1) and separately identified and management actions reported on quarterly within the Corporate Risk Management Reports. This will ensure the continuous overview and monitoring currently being undertaken by the Shareholder Group can be more visible.	2021 Quarter 4 Repot & Ongoing	Director: Finance	<p>See the status update against Recommendation 12.</p> <p>In the Councils Corporate Risk Report, Quarter 3 2020/21, CRR1 - Long Term Commercial Investments and Major projects Capital Investment has been closed and the risk within has been disaggregated.</p> <p>For Subsidiary risk CRR40 - Unplanned Investment in Subsidiary Companies has been created and following the mapping of the Group risk, relevant risks are reported / update periodically.</p>	Complete - to be regularly reviewed