

By: Director of Finance
To: Governance and Audit Committee - 17 September 2008
Subject: **TRADING ACTIVITIES SUB-GROUP TERMS OF REFERENCE**
Classification: Unrestricted

Summary: To propose terms of reference for the Trading Activities Sub-Group

FOR DECISION

INTRODUCTION

1. At its meeting on 30 June the Committee received a comprehensive report in trading activities within Commercial Services. One of the decisions taken was that a sub-group of Governance & Audit Committee should be created with a remit around trading activities across the Council.
2. This report proposes the terms of reference for the group, its composition and frequency of meeting. These have been considered by the Chairman, Vice Chairman, Labour Spokesman and a representative of the Liberal Democrat Spokesman at a meeting on 28 August.

TERMS OF REFERENCE

3. Draft terms of reference are attached in Appendix 1.
4. At the 28 August meeting the view was that the group should formally consist only of the three County Councillors. Officers from across the Council, the District Auditor and representatives of the local business community would be invited to attend as appropriate.
5. Also attached in Appendix 2 is a summary of all trading income across the Council which has been prepared with the service directorates and the Chief Executive's Department.
6. To support these new arrangements the Finance Strategy Board will have operational responsibility for:
 - (1) Ensure that services which need to be are set up as trading accounts or companies.
 - (2) Establish charging policies to comply with legislation and guidance e.g. BVACOP.
 - (3) Ensure the consistent use of that charging methodologies.

- (4) Report on trading activities as appropriate e.g. Governance & Audit Sub-group, Policy Overview Committees.
- (5) Ensure that directorates have clear charging policies which are subject to regular review.
- (6) Ensure that processes are in place to identify opportunities for maximizing income.

RECOMMENDATION

- 6. Members are asked to agree the terms of reference.

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Governance & Audit Committee

Trading Activities Sub-Group

Terms of Reference

Objectives

1. Monitor the financial performance and reporting of all trading accounts and all limited companies owned in whole or in part or controlled by KCC.
2. Receive the annual business plans and annual financial accounts of any KCC limited companies.
3. Oversee the establishment of new limited companies through examination of the business case before the company commences trading and make recommendations to the appropriate Cabinet Member.
4. Monitor trading and commercial activities being undertaken by the Council to ensure that they have the right structure.
5. Monitor adherence to the appropriate legal, regulatory and accounting frameworks governing local authority trading activities.

Membership

- 1 Conservative, 1 Labour, 1 Liberal Democrat member of Governance & Audit Committee.

Frequency

Twice each year