



SECTION 2

Corporate Governance Statement

This Code of Practice sets out the basis on which the Board of Directors and staff of Cardiff & Co should seek to discharge their responsibilities.

Cardiff & Co, a company limited by guarantee registered with Companies House No. 06246680 is an independent company governed by Memorandum and Articles of Association.

Reference in this document to Cardiff Council or Council means the Cardiff County Council. Copies of these documents are available to the public for inspection at the Cardiff & Co Offices, 2nd Floor, The Old Library, The Hayes, Cardiff, CF10 1AH.

This document provides guidance to staff and to members of the Strategic Board, the Finance and General Purposes Committee and the company's Sector Boards. It defines respective duties and responsibilities, and is divided into 10 parts:

- A Members
- B The Strategic Board
- C The Chair
- D The Finance and General Purposes Committee (F&GP)
- E Membership and the Sector Boards
- F The Managing Director
- G The Company Secretary
- H The Executive Team
- I Other Matters
- J Working with Cardiff Council

Cardiff & Co Principles

The principles on which this Code is based are those which apply to bodies who work with Public bodies and who are funded by public money and other stakeholder or member organisations. Cardiff & Co must at all times:

- observe the highest standards of propriety involving impartiality, integrity and objectivity in relation to stewardship of public and private funds and management of Cardiff & Co;
- be accountable to Cardiff Council, members, users of services, individual citizens and staff for the activities of Cardiff & Co, its stewardship of funds and the extent to which key performance targets and objectives have been met;
- maximise value for money through ensuring that services are delivered in the most efficient and economical way, within available resources, and with independent validation of performance achieved wherever practicable.

MISSION

Our mission is to promote Cardiff to the world as a destination of choice for people to live, work, invest, meet, visit, study, shop and attend events. *[to be amended following input from the recent strategic working session]*

A Members

The Special Member (the County Council of the City and County of Cardiff) as defined in the Article of Association and such other persons as are admitted to membership in accordance with the Articles shall be Members of the Company.

No person shall be admitted a member of the Company unless he/she is approved by Directors and the Special Member.

Members may be directors of the Company. Directors need not be members.

Members' rights are to be determined by the Directors in accordance with the Articles of Association.

B The Strategic Board

The governance of Cardiff & Co is headed by a board of directors called the Strategic Board. Appointments to the Board are made in accordance with the Articles of Association.

The responsibilities of the Strategic Board are:

1. To approve the company's annual revenue and capital budgets, to monitor its financial performance on a regular basis, and approve its three year plan and its annual report and accounts prior to publication.
2. To give approval to any proposed expenditure lying outside the approved budgetary projects and ceilings set by the annual business plan
3. Through the Board's Finance and General Purposes Committee, to institute and ensure continuity of an appropriate framework of financial delegation and systems of control.
4. To take key decisions on matters that will or might create significant risk (financial or reputational) for the company and to monitor regularly the company's overall exposure to such risks.
5. To set values and strategic objectives of the company as per the three-year plan, ensuring through the individual Boards that the annual business plan is implemented and performance adequately monitored.
6. To elect a Chair and to appoint a Company Secretary, neither of whom may Chair the Finance and General Purposes Committee.
7. To appoint and secure timely and orderly succession of the Managing Director.
8. To appoint new directors within the constraints imposed by the Memorandum and Articles of Association, and bearing in mind:
 - i. the need for the make up of the Strategic Board to be broadly representative of the principal stakeholders across the City and Capital region

- ii. to ensure where possible the Strategic Board has the requisite business/professional expertise to meet the key objectives of the company
 - iii. reflects, where possible, the diversity of the City and Capital region
9. To co-opt as necessary any relevant organisations or individuals to any Sector Board.
 10. To satisfy itself that the company's affairs are conducted lawfully and in accordance with accepted standards of efficiency and propriety.
 11. To ensure that the company's Memorandum and Articles of Association are appropriate to its current status and circumstances.
 12. To review annually the effectiveness of the F & GP Committee, the Sector Boards and itself and make such changes as are necessary to the terms of these Committees/ Boards to improve their effectiveness in meeting the mission and objectives of the company.
 13. To otherwise seek to achieve a co-ordinated approach to destination and investment marketing across City and County and where relevant region, ensuring consistency of message, best use of resources, and joined-up thinking and working.
 14. To act as the final point of appeal in the staff grievance procedure.
 15. To act as the final point of appeal in the event of external complaints against the staff or Board Member of the Company.
 16. In exercising all these responsibilities to create and maintain a supportive and constructive relationship with the MD and Executive Team.

C The Chair

The Chair is non-executive. His or her responsibilities are:

1. To chair the Strategic Board. This includes securing the efficient conduct of the Strategic Board's business; reinforcing the collective responsibility of the Strategic Board by ensuring that the views of all Directors are sought before key decisions are taken.
2. To establish and maintain a constructive and supportive relationship with the Managing Director.
3. To appoint individual Members of the Strategic Board to chair the Finance and General Purposes Committee and each individual Sector Board.
4. To take strategic or other significant decisions in consultation with the Managing Director and if appropriate the individual Sector Board chairs as a proxy for the whole Strategic Board, so as to permit the orderly conduct of business between Board meetings. To bring forward a scheme of delegation to the Strategic Board and put in place sufficient authority to allow these powers to be effective.
5. To agree increases in the company's human resources proposed by the Managing Director within the financial budget agreed by the Strategic Board.
6. In consultation with the Managing Director, to keep the composition and work of the Strategic Board under review, and to make recommendations to the Strategic Board as necessary to maintain its representative character and effectiveness.

7. In conjunction with the Strategic Board and the Finance and General Purpose Committee, to set the objectives and appraise the performance of the Managing Director, and determine the remuneration of the Managing Director and Executive Team. To ensure that the Managing Director's annual appraisal is maintained on his/her employment file.
8. To ensure that matters dealt with through the scheme of delegation between each Strategic Board meeting shall be brought to the attention of the Strategic Board at its next meeting and where appropriate ratification is sought for the decisions made.
9. With the advice of the Company Secretary, to ensure that the governance of the company follows best practice.
10. To act as the point of contact for whistle-blowers, where either a member of staff or a Strategic Board member, or someone external to the company has reason to believe that the Managing Director or a Strategic Board member is either acting in a way likely to bring the company into disrepute or has failed to respond effectively to serious risks to the company's well-being.
11. To secure timely and orderly succession to the Chair position.

D The Finance and General Purposes Committee (F & GP)

This is a committee of the Strategic Board under Article 38 of the Company's Articles. These individuals have been selected to sit on the Group, and places are not transferable. Should anyone serving on the Committee leave, for whatever purpose or reason, then the Chair, in conjunction with the Managing Director, will decide whether or not to replace that individual, and if so, who that replacement should be.

The responsibilities of the F&GP are:

1. To continuously review the financial strategy of the company's business plans.
2. To assist the executive in the preparation of business plans for approval by the Strategic Board.
3. To review operational performance in respect of earned and private sector income targets, as set out in the annual business and operating plans.
4. To review in first instance the management accounts, the statutory accounts, and the annual budget for approval by the Strategic Board.
5. To deal with the appointment and remuneration of the External Auditors by way of recommendation to the Strategic Board and to receive from the External Auditors their plan for the audit and consider the results of the audit including any recommendation for improvement in internal controls.
6. To review for approval by the Strategic Board, contracts where these lie outside the scope and content of the current year business plan.
7. To develop effective financial regulations, clarifying roles and responsibilities in respect of company secretarial and financial functions.
8. To establish proper and effective procurement processes, including authorisation limits for company employees.
9. To assist in the preparation of bids for funding

10. To otherwise support the work of the Managing Director and the Executive Team.
11. Three members of the Finance and General Purposes Committee shall review and recommend to the Strategic Board the remuneration of the Chair or any other post and shall act as a remuneration committee of the Strategic Board having regard to market conditions and assist the Executive in relation to HR matters within the overall limits assigned by the Strategic Board.
12. To act as the first line of appeal in staff grievance issues in respect of direct reports to the Managing Director.
13. To oversee and assist in the identification and selection of Directors subject to such appointments being put to and agreed by the Strategic Board, but subject to the Special Member having the right to appoint two directors.
14. To provide support and advice to the Chair and Managing Director in terms of the identification and acceptance of new members and the terms thereof.
15. To consider and help secure timely and orderly succession to the Chair.
16. The Chair shall update the Strategic Board by written report prior to each Strategic Board meeting and be prepared to take questions at the Strategic Board on such written reports.

Standing agenda items will be management accounts and a review of financial and operating performance. Accounts will be circulated to F&GP members a minimum of five days ahead of their meetings.

E Membership and Sector Boards

The Company shall invite sponsors to contribute financially to the operation of the Company. Such sponsors will be given membership rights under the Articles of Association of the Company.

The Company shall be sponsored by Members from various sectors involved in the development and workings of Cardiff and Members shall be appointed to one of the two Boards of the Company namely:

- **Tourism and Image Board**
- **Investment and Development Board**

It is proposed that the Image and Branding Board per clause 4B of the Article of Association be absorbed into the Tourism Board (now referred to as the Tourism and Image Board).

The Strategic Board will agree the criteria for membership of the Company and resolve formally at a Strategic Board meeting to invite membership on terms to be agreed.

Member organisations may not only sit on individual Sector Boards but may also have representatives on the Strategic Board

The Members of each Board will meet at least once every year at an Annual Members Meeting and shall be invited to such a meeting in accordance with the Articles of Association.

The Company or Sector Boards

There are two “Sector Boards” of the Strategic Board where members of the Company and key stakeholders and partners are allocated seats, one for Investment and Development and one for Tourism and Image. These will be known as “Sector Boards.”

Each Board will be chaired by a member of the Strategic Board who will be under a duty to report to the Chair person and the Strategic Board when it meets. Each Board has no executive power and the Managing Director will sit on each Board.

Each Board consists of senior “practitioners” in the relevant fields who may be members of the Company. These individuals have been selected to sit on the relevant board, and places are not transferable. Should anyone serving on a board leave, for whatever purpose or reason, then the Chair of the Strategic Board, in conjunction with the Managing Director will decide whether or not to replace that individual, and if so, who that replacement should be.

The Strategic Board may co-opt any relevant organisation or individual to any Sector Board.

The Sector Boards shall meet quarterly or as regularly as agreed by that Sector Board to meet its objectives.

Sector Board members should be prepared to spend an appropriate amount of time reading papers and preparing for sector Board Meetings. A minimum of 50% of meetings is expected. Should a member attend infrequently then he/she may be asked to step down.

As well as reviewing the implementation of current year activities, the Sector Boards contribute to business plan content for subsequent years. Over and above making an input to the annual business planning process, each Sector Board has assigned to it specific tasks.

Tourism and Image Board

The responsibilities of the Tourism and Image Sector Board are to:

1. Have sight of and understand the relevant parts of Cardiff & Co’s current year’s business plan in relation to tourism.
2. To cultivate and maintain a supportive and constructive relationship with the Managing Director and the Executive Team in the delivery of the objectives of the Company.
3. Identify key result areas and monitor Cardiff & Co’s progress in meeting leisure tourism objectives in the current year business plan and with regard to investment to monitor the development and investment of Cardiff and the City region. To support the executive in formulating a Leisure Tourism Strategy over a three year business cycle.
4. Progress the business tourism strategy, including the establishment of processes to attract conferences to Cardiff and to provide associated venue location and event registration services.
5. Advise and input into the formulation of the leisure tourism related objectives, performance measures and budget for next year’s business plan.
6. Understand the existing market research available to identify Cardiff’s share of the leisure tourism marketplace, commissioning new research if required.
7. Review existing visitor servicing arrangements across the county.
8. To monitor the Cardiff Tourism scheme and advise on the economic plans for the City.

9. Seek to ensure that all tourism partners in the city and region are working co-operatively and effectively, exploring ways to enhance and strengthen these partnerships.
10. To support attempts to establish the feasibility of new, purpose-built convention centre developments.
11. Monitor progress on the convention services sections of the current year business plan.
12. Support the executives and advise on image and branding.
13. Support the executives and advise on media including coverage and visits.
14. The Chair shall update the Strategic Board by written report prior to each Strategic Board meeting and be prepared to take questions at the Strategic Board on such written reports.

Investment and Development Board

The responsibilities of the Investment and Development Sector Board are to:

1. Have sight of and understand the relevant parts of Cardiff & Co's current year's business plan and other plans of the City in relation to investment and particularly promoting investor (or investment) confidence. To support the executive in formulating an investment and promotions strategy over a three year business cycle.
2. To cultivate and maintain a supportive and constructive relationship with Managing Director and the Executive Team in the delivery of the objectives of the Company.
3. Identify key result areas and monitor Cardiff & Co's progress in meeting economic objectives in the current year business plan and with regard to investment to monitor the development and investment of Cardiff and the City region.
4. Progress the economic strategy, including the establishment of processes to attract businesses to Cardiff and the Cardiff city region.
5. Advise and input into the formulation of economic related objectives, performance measures and budget for next year's business plan and for a three year business cycle.
6. Understand the existing research available to identify Cardiff's share of investment in the market place, commissioning new research if required.
7. Review existing servicing arrangements for potential inward investors.
8. To monitor the Cardiff investment confidence and advise Cardiff & Co on the Economic Plans for the City to facilitate representation to the Council.
9. Seek to ensure that all economic and regional partners in the City and City region are working co-operatively and effectively, exploring ways to enhance and strengthen these partnerships.
10. Assist to identify growing economic sectors and trends.
11. To develop a sub regional strategic approach, and to develop partnerships/funding relationships with the Welsh Assembly Government and other relevant publicly funded vehicles.

12. The Chair shall update the Strategic Board by written report prior to each Strategic Board meeting and be prepared to take questions at the Strategic Board on such written reports.

F The Managing Director

The Managing Director's responsibilities are:

1. To provide dynamic and purposeful leadership.
2. To carry out the policies of the Strategic Board by securing the recruitment, organisation, and effective tasking and management of the staff of the company, and by professional advice given to the Board, Sector Boards, and the Finance and General Purposes Committee.
3. To advise the Chair, the Strategic Board and the Sector Boards, and to ensure that they have sufficient information and professional support to assist them in setting strategy and performing their duties effectively.
4. With the Chair and in conjunction with the Finance and General Purposes Committee, and the Sector Boards, to propose strategic objectives and plans for the company.
5. To deliver the strategies, plans and budgetary performance set by the Strategic Board.
6. To submit budget proposals to the Strategic Board.
7. To act as spokesperson, in conjunction with the Chair of the Company and to delegate this authority where appropriate.
8. To provide guidance and support to the Executive Team in policy matters, with the ultimate responsibility for urgent policy decisions, consulting as necessary.
9. To ensure all employees have an employment contract and that each employee has an annual appraisal which is monitored on their employment file.
10. To build relationships with WAG and other relevant publicly funded organisations.

G The Company Secretary (currently discharged by the Managing Director)

The Company Secretary's responsibilities are:

1. To ensure on a day to day basis that the business of the Company is conducted in accordance with the Memorandum and Articles of Association and with Companies Act and other relevant legislation currently in force, and to provide the Strategic Board with such evidence of compliance that it might require.
2. To ensure meetings of the Strategic Board are arranged, and circulate through the Offices of the Company and Managing Director its agenda, papers and minutes 5 days prior to meeting.
3. To ensure minutes of meetings are circulated within 10 days of such meetings.
4. To arrange general meetings at least once a year in compliance with the law.
5. Advise the Chair and Managing Director on all governance issues and other matters from time to time.

H The Executive Team

Its responsibilities are:

1. To assist the Managing Director in discharging his or her responsibilities.
2. Within delegated responsibilities, to achieve the annual goals.
3. Collectively to devise, keep under review, and implement policies for engagement and conduct of staff, internal communications, training, allocation of resources within budget, relationships and communications with partner agencies and other external stakeholders, public relations, and decision-taking mechanisms (this list is not comprehensive).
4. To assist the Managing Director in representing the company, in their own specialisations and, when required, in a broader capacity.

I Other matters

Confidentiality

All Board Committee papers and correspondence must be treated in confidence. The 'In Confidence' marking on all papers means that although the contents may be discussed with colleagues as necessary, this should be done with utmost discretion on the part of the recipient of the papers. When, exceptionally, a higher classification is necessary, special circulation arrangements will normally be made by the Company Secretary or Managing Director. Members of the respective Board must respect such classification particularly relating to employee and commercial arrangements.

Board members should observe the requirement for confidentiality and are asked to keep secure papers that come to them in their official capacity and, when their term of office has come to an end, to make sure that all papers are returned or destroyed.

Communication of Decisions

Only the Chair or Managing Director of Cardiff & Co, or those members of staff authorised to act on their behalf, may communicate all Board decisions or recommendations made to Strategic Board. In reporting Strategic Board business they will take special care to keep confidential any part played in discussion by individual members, to maintain the convention that any decision is the collective responsibility of the whole Strategic Board and to safeguard the anonymity of any third parties when relevant to a decision. Strategic Board Members should resist any requests for information or for explanation of how a particular decision was reached. All Strategic Board discussions should therefore be treated in confidence and any such requests referred to the Managing Director or Company Secretary. Similar duties apply to members of the Sector Boards and F & GP.

Openness and Responsiveness

Members of the Board are responsible for providing Cardiff Council (including its Committees) and the public with as full information as may be requested concerning their policy decisions and actions. They should ensure they can demonstrate that they are using resources to good effect, with probity, and without grounds for criticism that public funds are being used for private, partisan or party political purposes. Strategic Board members and staff should conduct all their dealings with the public in an open and responsible way, and there should be internal procedures for dealing with complaints, including those on failure to provide information.

Delegation by the Strategic Board

Strategic Board members normally serve on an agreed part-time basis. To the extent permitted by the Strategic Board, responsibility for day-to-day matters should be delegated to the Managing Director, and the staff of Cardiff & Co, to the maximum extent practicable, within a clearly understood framework of strategic control.

The Strategic Board may also decide to delegate responsibility for specified matters to individual members, or committees of the Strategic Board. Care must be taken to ensure that delegations do not in any way dilute the ultimate responsibility of the Strategic Board for actions undertaken under these delegated powers. Any decisions taken by individual Board members, or committees of the Strategic Board, should be recorded in written minutes and made available to the Strategic Board as a whole. The arrangements for delegation should also be properly documented, and the documentation should make clear matters reserved for decision by the Strategic Board. The latter are likely to include issues of corporate strategy; key strategic objectives and targets; major decisions involving the use of financial and other resources; and personnel issues including key appointments and standards of conduct.

Strategic Planning and Control

One of the main tasks of the Strategic Board is the oversight of the production of a Plan to be agreed with Cardiff Council. This document should be the main vehicle for agreeing with Cardiff Council or officials of the Council acting on its behalf, the policy and resources framework within which Cardiff & Co will seek to discharge its duties; and for determining its key targets. Such targets should normally cover the delivery of Cardiff & Co's mission, financial performance and the efficiency and effectiveness of its operations.

Accountability for Public Funds

Members of the Strategic Board have a duty to ensure that public funds received by Cardiff & Co which for this purpose should be taken to include all forms of receipts for fees, charges and other sources, are properly safeguarded. They should ensure that, at all times, Cardiff & Co conducts its operations as economically, efficiently and effectively as possible.

Members of the Strategic Board are responsible for ensuring that the Strategic Board does not exceed its powers or functions, whether defined by its constitution, Companies legislation or otherwise, or through any limitations on its authority to incur expenditure. They are normally advised on these matters by the Managing Director and/or Company Secretary.

Annual Report and Accounts

As part of its responsibilities for the stewardship of public funds, the Strategic Board must ensure that it provides a full statement of its use of public funds in its Annual Report and in its Accounts. The Annual Report and Accounts shall be reported by the Chair to the Leader of the Council no later than 30th September in each year.

The Annual Report should provide a description of Cardiff & Co's activities, state the extent to which agreed strategic objectives and agreed financial and other performance targets have been met; list the names of the current members of the Strategic Board and senior staff; and provide details of remuneration of Strategic Board members and senior staff within the range of prescribed salary bands. The Annual Report should also contain information about the register of declared interests.

The Strategic Board may require a separate Annual Review document to be produced in order to highlight the company's activities and performance soon after the end of each financial year.

Cardiff & Co as Employer

The Strategic Board should ensure that:

- it complies with all relevant employment legislation and employs suitably qualified staff who will discharge their responsibilities in accordance with the high standards expected of staff employed by public bodies. All staff should understand the Strategic Board's main aims and objectives and corporate strategy, and the internal management and control systems that relate to their work;
- Cardiff & Co adopts management practices which use resources in the most effective, efficient and economical manner;
- rules for the recruitment and management of staff provide for appointment and advancement on merit, on the basis of equal opportunity for all applicants and staff. In filling senior staff appointments, the Strategic Board should satisfy itself that an adequate field of qualified candidates is considered, and should always consider the merits of open competition which should normally be used for recruitment of external candidates. The Strategic Board, in determining appointments, may take into account secondment or when third parties are contributing to the cost of employment, the views of those third parties.
- its own members, and Cardiff & Co staff, have access to expert advice and training opportunities which enable them to exercise their responsibilities effectively.

J Working with Cardiff Council

Cardiff Council

The Leader, Cabinet and Chief Executive of the Council are accountable for the use of the Council's public funds and the activities and performance of the Council. His/her responsibilities in relation to Cardiff & Co include:

- agree the Cardiff & Co Business Plan determining the policy and performance framework within which Cardiff & Co will operate with the Council when funded by the Council;
- approving the overall strategic priorities for the plans and funding allocations for the Business Plan which together set the context for the development of Cardiff & Co's Plans;
- keeping Members of the Council informed about Cardiff & Co's performance;
- approving the amount of grant/funds ,services and other support to be made to Cardiff & Co and securing Council approval;
- assisting in appointments to the Cardiff & Co Board, including the appointment and discussion of the Chair and Managing Director.

The Council with Cardiff & Co

Independence

Cardiff & Co shall operate independently of Cardiff Council but the overall priorities for Cardiff & Co are discussed with Council. The day-to-day decisions on the merits of different

strategies, programmes and projects are taken by Cardiff & Co without Cardiff Council involvement save for as set out in the Articles of Association.

The partnership of the Council with Cardiff & Co shall include the Council:

- assisting Cardiff & Co in setting its Mission, Strategic Plan and Business Plans within the wider framework of Council expenditure and support economic regeneration, visitor attractiveness and innovation and technology;
- advising Cardiff & Co on its activities and discussing the resources needed by the Council and on the distribution of the Budget;
- receiving reports from the Strategic Board of Cardiff & Co on matters concerning economy, effectiveness, efficiency and propriety of the Business Plan;
- monitoring the financial position and receiving and acting on information provided by Cardiff & Co ;
- ensuring that Cardiff & Co has appropriate performance management and monitoring arrangements in respect of its Business Plans and that it provides the Council with comprehensive reports on performance, including variances from expected performance and the reasons for this and remedial action taken, in a timely manner ;
- ensuring that Cardiff & Co's Chair and Managing Director are always briefed on all relevant policy developments and current issues;

The Council Leader/CEO may take whatever steps he/she considers necessary, working with the Chair and Managing Director of Cardiff & Co and other Council employees, to discharge these responsibilities.

The Chair and Managing Director of Cardiff & Co shall ensure that:

- Cardiff & Co Business Plans support the Council's strategy for Cardiff and the overall strategic priorities for economic regeneration and any wider strategic aims and where they differ matters be discussed at the appropriate level;
- financial and other management controls applied by Cardiff & Co are appropriate and sufficient to safeguard public funds and for ensuring that the Council's compliance with those controls is effectively monitored. ("Public funds" include not only any funds granted to Cardiff & Co but also any other funds generated by approved activities or otherwise falling within the stewardship of Cardiff & Co);
- the internal controls applied by Cardiff & Co conform to the requirements of regularity, propriety and proper financial stewardship.

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