

Report to the Company Member Cabinet Committee
Meeting to be held on Thursday, 21 December 2023

Report of the Director of Law and Governance

Part I

Electoral Division affected:
(All Divisions);

Corporate Priorities:
Delivering better services;

Lancashire County Council Owned Companies - Corporate Governance Checklist

(Appendix 'A' refers)

Contact for further information:

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Brief Summary

At its meeting held on 22nd June 2023 the Company Member Cabinet Committee agreed to adopt Best Practice Guidance relating to Local Authority company ownership based on The Chartered Institute of Public Finance and Accountancy (CIFPA) Local Authority Owned Companies: A Good Practice Guidance and the Local Partnerships – Local Authority Company Review Guidance.

In order to formalise a consistent approach across all county council owned companies and provide comprehensive company member / shareholder information from each company to the Company Member Cabinet Committee it is proposed to adopt a Corporate Governance Checklist for all county council owned companies which is attached at Appendix 'A' to this report.

Recommendation

The Company Member Cabinet Committee is asked to comment on, and approve, the adoption of the Lancashire County Council Owned Companies – Corporate Checklist as attached at Appendix 'A' and request that this be completed for each county council owned company and submitted to the Committee as part of each company's annual reporting.



Detail

The adoption of a Corporate Governance Checklist in relation to all of the county council owned companies will provide consistency to the county council's approach to monitoring and reviewing each company in its member / shareholder capacity.

With each company requested to complete the checklist and submit it on an annual basis to the Company Member Cabinet Committee alongside their regular reporting, the checklist will provide enhanced opportunity for the Company Member Cabinet Committee to fulfil its member / shareholder role and monitor each company effectively, highlighting any areas for improvement or any areas of good practice that can be applied consistently to all companies.

Appendices

Appendix 'A' is attached to this report. For clarification they are summarised below and referenced at relevant points within this report.

| Appendix | Title |
|--------------|----------------------------------------------------------------------------|
| Appendix 'A' | Lancashire County Council Owned Companies - Corporate Governance Checklist |

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

In adopting the Corporate Governance Checklist it is envisaged that this will enhance the county council's monitoring arrangements for the companies it owns and ensure that any risks are identified at the earliest stage by the company member / shareholder.

Legal

All companies must adhere to the Companies Act 2006 which includes specific Directors' Duties and their responsibilities which include, but are not limited to, acting in the best interests of the company and a duty to avoid conflicts of interest.



List of Background Papers

Paper

Date

Contact/Tel

None

Reason for inclusion in Part II, if appropriate

N/A

