



Report to Shareholder Committee

Date:	10 January 2024
Title:	Best Practice Review (Governance) - Update
Relevant councillor(s):	All
Author and/or contact officer:	Nick Graham, Service Director, Legal and Democratic Richard Ambrose, Director – Major Projects Contact officer: Glenn Watson, Principal Governance Officer.
Ward(s) affected:	All

Recommendations:

- 1)** to note the update as regards the Amber and Red actions identified in the recent Best Practice Self-Assessment, itemised at Annex 1;
- 2)** to consider nominating a representative of the Committee to observe a board meeting of each entity to view the culture and conduct of their meetings (under action E19).

Reason for decision:

At the last meeting of the Committee, consideration was given to a best practice self-assessment on company governance. It was agreed to adopt Amber and Red rated actions as part of the Committee's action plan and to receive updates at each meeting. This is the first such update.

1. Background:

1.1 The *Local Authority Company Review Guidance (2021)* sets out best practice guidance on local authority company governance. A self-assessment was conducted at the last meeting of the Committee against the criteria. Actions were rated Green, Amber and Red. The Amber/Red items were incorporated into the Committee's action plan. This report includes (at Annex 1) an update on these actions.

2. Update on Amber/Red actions

- 2.1 Annex 1 includes a note on each identified action. Importantly, as noted by the Committee at its last meeting, an Internal Audit on company governance has recently begun. This will have some bearing on the actions, as was the intention. A fuller update will therefore be possible in light of the Audit outcomes expected to be reported to the Committee on 13 March 2024.
- 2.2 One action – at E19 of Annex 1 – envisages a representative of the Committee being nominated to attend from time to time, as an observer, a board meeting of each entity. The purpose being to note the culture and conduct of the meeting at first hand. This relates to the best practice principle that “the chair provides clear board leadership, supporting the directors and chief executive and taking account of the shareholders views”. The Committee is invited to consider identifying nominees to carry this out over the coming months.

3. Next steps

- 3.1 A fuller update will be made to the Committee in March 2024. This will also enable the outcomes of the Internal Audit to be factored into the approach to these reported items.
- 3.2 The next annual self-assessment will take place in early Autumn 2024 and is scheduled to be reported to the Committee in October 2024.

4. Legal and financial implications

- 4.1 The recommendations in this report contain no legal implications. Council has shareholding interests and responsibilities in the Council’s commercial entities. Cabinet has delegated this specific responsibility to the Shareholder Committee. The discretion to apply the actions recommended in this report lies with the Committee.
- 4.2 There are no financial implications arising from the recommendations in the report; their implementation would not, themselves, require additional resource.