

By: John Simmonds, Cabinet Member for Finance
Roger Gough, Cabinet Member for Corporate Support
Services & Performance Management

Andy Wood, Acting Director of Finance
Geoff Wild, Director of Law & Governance

To: Cabinet 2 February 2011

Subject: KCC Companies

Classification: Unrestricted

Summary

To recommend to Cabinet the approach to be taken in the forthcoming report to Audit and Governance on a Protocol for KCC Companies

Introduction

1. Given the existence and likely future increase in the number and variety of company interests that are held by the Council, there is a need to introduce a Protocol, in the form of a framework of rules, governing how KCC-owned companies are to operate.
2. KCC currently has 20 companies as shown in **Appendix A**, although 5 of these are dormant at present. Whilst there is no suggestion that these have been established incorrectly, it is thought appropriate that such entities are brought together in governance terms to ensure best practice across the council.

The proposed process

3. Following discussions between officers and Members, it is agreed that there is a need for a general Protocol together with a specific Cabinet report for all KCC companies, involving the following three stage process:
 - (a) a report to Governance & Audit Committee proposing a general Protocol governing all KCC companies
 - (b) a report to the relevant Cabinet Member(s) seeking formal endorsement (followed by referral to Scrutiny if required) in respect of each new KCC company, setting out the terms on which the company is being formed, what Council policies do (or do not) apply, the appointment of directors, within what limits those directors are expected to operate, etc
 - (c) once the rules for a particular company have been established then such rules should be enshrined in the Memorandum of Association and Articles and/or in some form of agreement with the directors
 - (d) any further changes required to be made, e.g. as to KCC policies applicable or the appointment of new directors, should be reported to the relevant Cabinet Member(s) for formal approval

Recommendation:

4. Cabinet is requested to endorse the terms of the general Protocol, which will be put before Governance & Audit Committee for approval.

Author: Geoff Wild

Tel: 01622 694302

Email: geoff.wild@kent.gov.uk

There are no background papers.