



## Buckinghamshire Shareholder Committee agenda

Date: Tuesday 28 March 2023

Time: 10.30 am

Venue: The Paralympic Room, Buckinghamshire Council, Gatehouse Road, HP19 8FF

### Membership:

J Chilver (Chairman), S Broadbent, A Cranmer and P Strachan

<b>Agenda Item</b>	<b>Page No</b>
<b>1 Apologies for Absence</b>	
<b>2 Declarations of Interest</b>	
<b>3 Minutes of the previous meeting</b> To confirm the minutes of the meeting held on 11 January 2023 as a correct record.	<b>3 - 6</b>
<b>4 Draft Buckinghamshire Shareholder Committee Annual Report 2022-23</b> To be presented by Richard Ambrose, Service Director for Major Projects.	<b>7 - 16</b>
<b>5 Forward Plan discussion</b> To discuss items for future meetings. Items provisionally scheduled for the next meeting are: <ul style="list-style-type: none"><li>• Consilio Business Plan 2023/24</li><li>• 2022/23 Draft Financial Statements for each subsidiary (if available)</li></ul>	
<b>6 Date of the next meeting</b> To be confirmed.	
<b>7 Exclusion of the public</b> To resolve:  that under Section 100(A)(4) of the Local Government Act 1972, the	

public be excluded from the meeting on the grounds that it involves the likely disclosure of exempt information as defined in the paragraph indicated in Part 1 of Schedule 12A of the Act.

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|-----------|---|--------------------------|
| <b>8</b>  | <b>Confidential minutes of the previous meeting</b><br>To confirm the confidential minutes of the meeting held on 11 January 2023 as a correct record.                          | <b>17 - 20</b>           |
| <b>9</b>  | <b>Buckinghamshire Advantage 2023-24 Business Plan</b><br>To be presented by Councillor Steve Bowles, Director of Buckinghamshire Advantage and Cabinet Member for Communities. | <b>21 - 22</b>           |
| <b>10</b> | <b>Director Appointments to Subsidiary Bodies</b><br>To be presented by Richard Ambrose, Service Director for Major Projects and Glenn Watson, Principal Governance Officer.    | <b>23 - 30</b>           |
| <b>11</b> | <b>Consilio update</b><br><br>To be presented by Richard Ambrose, Service Director for Major Projects and John Reed, Service Director for Property and Assets.                  | <b>Verbal<br/>Report</b> |

If you would like to attend a meeting, but need extra help to do so, for example because of a disability, please contact us as early as possible, so that we can try to put the right support in place.

For further information please contact: Leslie Ashton; [democracy@buckinghamshire.gov.uk](mailto:democracy@buckinghamshire.gov.uk)



## Buckinghamshire Shareholder Committee minutes

Minutes of the meeting of the Buckinghamshire Shareholder Committee held on Wednesday 11 January 2023 in The Paralympic Room, Buckinghamshire Council, Gatehouse Road, Aylesbury HP19 8FF, commencing at 10.00 am and concluding at 10.40 am.

### Members present

J Chilver (Chairman), S Broadbent, A Cranmer and P Strachan

### Agenda Item

#### 1 Apologies for Absence

There were no apologies for absence.

#### 2 Declarations of Interest

There were no declarations of interest.

#### 3 Minutes of the previous meeting

**RESOLVED:** that the minutes of the previous meeting held on 12 October 2022 were confirmed as an accurate record.

#### 4 Conflicts of Interest Guidance and Review of Directors

Mr Richard Ambrose, Service Director for Major Projects and Glenn Watson, Principal Governance Officer presented the Conflicts of Interest Guidance note which had been updated based on feedback from the previous Shareholder Committee meeting held in October 2022. The guidance reflected current best practice as issued by recognised bodies and also reflected the guidance issued by Max Caller, Strategic Advisor and Lead Inspector for HM Government, based on his inspection of local authorities' experience of company governance.

A review of the articles of association/members' agreements of each company/joint venture had been undertaken to check for any inconsistencies with the principles contained in the Council's guidance. No inconsistencies were found.

An initial review of current director appointments had been undertaken and identified that the process and principles for appointing directors should also be considered. Details of this, including the current appointments, would be brought back to the next meeting in March.

Key points raised during discussion included:

- Consilio was the only company which did not presently have a Member representative as Director/Board Member, and ideally there would be at least one officer appointment and one Member appointment. It was clarified that as long as a Member did not hold a current conflict of interest they could be considered for the role.
- The Committee agreed that organising a pool of Directors and Members who would be appropriate for such roles would be beneficial and provide resilience.
- Copies of the Conflicts of Interest guidance would be provided to all existing Directors/Board Members including joint venture partners.
- The Committee agreed that best practice would be to review the guidance annually along with the Review of Directors to ensure they remained compliant and offered a level of consistency. With the review of directors coming to the next meeting, each March would be appropriate.

**ACTION: L Ashton to add to the forward plan**

- Higginson Park Trust and Farnham Park Sports Field Trust were also discussed and it was noted that the Council was the Trustee for each, rather than named individual officers. Historically the Section 151 Officer has been one of the signatories on the accounts, although the Audit and Governance Committee requested that another officer would be more appropriate to sign the accounts to avoid any perceived conflict of interest. It was queried whether a Member should be appointed to the Trusts and this would be given further thought.

**ACTION: R Ambrose to liaise with Legal on the possibility of a Member being appointed to each Trust**

**RESOLVED**

**That the Conflicts of Interest Guidance (Appendix A) be approved.**

**5 Forward Plan discussion**

The Committee noted that at the next meeting on 28 March 2023 the items for consideration would be:

- Director appointments to subsidiary bodies
- Consilio Business Plan 2023/24
- Consilio RP status update paper
- Buckinghamshire Advantage Business Plan 2023/24 and update
- Draft annual report of the Shareholder Committee to go on to Cabinet

**6 Date of the next meeting**

28 March 2023 at 10.30 a.m.

**7 Exclusion of the public**

**Resolved:** that under Section 100(A)(4) of the Local Government Act 1972, the

public be excluded from the meeting on the grounds that it involves the likely disclosure of exempt information as defined in the paragraph indicated in Part 1 of Schedule 12A of the Act.

**8 Confidential minutes of the previous meeting**

**RESOLVED:** that the confidential minutes of the previous meeting held on 12 October 2022 were confirmed as an accurate record.

**9 Aylesbury Vale Estates Draft Business Plan 2023 - 2026**

Mark Preston, Board Member, Aylesbury Vale Estates, attended to present the Business Plan for 2023/36. The document covered the overarching strategy and highlights of the business plan along with performance against 2022-23 business plan, portfolio performance, projected cash flow, and Key Performance Indicators/Targets.

Members held a detailed discussion on the contents of the Business Plan and

**RESOLVED**

**That the AVE Business Plan for 2023-26 be noted.**

**10 Aylesbury Vale Estates accounts 2021/22 (including Hale Leys Subsidiary)**

Mark Preston, Board Member, Aylesbury Vale Estates, attended to present the Members' report and financial statements for the year ended 31 March 2022.

Members held a detailed discussion on the contents of the financial statements and

**RESOLVED**

**That the AVE (including Hale Leys Subsidiary) accounts for the year ended 31 March 2022 be noted.**

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## Report to Buckinghamshire Shareholder Committee

**Date:** 28 March 2023

**Title:** Draft Buckinghamshire Shareholder Committee Annual Report 2022-23

**Relevant councillor(s):** John Chilver, Chairman of the Buckinghamshire Shareholder Committee

**Author and/or contact officer:**

Richard Ambrose [Richard.ambrose@buckinghamshire.gov.uk](mailto:Richard.ambrose@buckinghamshire.gov.uk) / Leslie Ashton  
[leslie.ashton@buckinghamshire.gov.uk](mailto:leslie.ashton@buckinghamshire.gov.uk)

**Ward(s) affected:** Not ward specific

**Recommendations:** Shareholder Committee Members are asked to comment on the draft Annual report ahead of its submission to the Cabinet meeting on 9 May 2023.

**Reason for decision:** As a sub-committee of Cabinet, it is good practice for the Shareholder Committee to report annually to Cabinet on the work it has undertaken over the previous financial year.

### Executive summary

- 1.1 The role of the Committee is to ensure that the Council's companies and limited liability partnerships act in the interests of the Council as shareholder and that best practice is being adhered to in delivering statutory arrangements. In doing so, the Committee contributes to the proper governance of the Council's subsidiaries. This added level of governance is more important than ever, following a number of other local authorities experiencing difficulties. Understanding the risks associated with wholly or jointly owned companies is a key task of the Committee.
- 1.2 This is the first year of the Shareholder Committee and producing an annual report to reflect the work and outcomes achieved by the Committee over the past year is considered good practice.

## Content of report

- 1.3 The creation of the Shareholder Committee was agreed by Cabinet in March 2022 to carry out the delegated shareholder responsibilities of the Council. The Shareholder Committee forms part of the overall governance arrangements for Buckinghamshire Council in relation to companies and other legal entities which are wholly or partly owned or controlled by the Council (including where such control comes about indirectly, such as via a loan agreement). Buckinghamshire Council has a number of mainly property based subsidiary companies and limited liability partnerships in place.
- 1.4 The Committee has met four times during the 2022-23 period as well as attending a training session, along with Company Directors, setting out the roles and responsibilities that their roles and the key risk areas that they are required to be aware of. The Committee has focused on and undertaken a number of key pieces of work. This includes reviewing business plans and the financial positions of each company/joint venture as well as producing Conflicts of Interest guidance for Members and Officers and undertaking a review of Directors to ensure consistency across companies/joint ventures.
- 1.5 In addition to maintaining an oversight of key risks and governance issues, the Committee's priorities for 2023-24 include creating a pool of trained potential future directors, strengthening risk management arrangements of the companies and reviewing best practice / learning from other local authority companies.
- 1.6 The 2022/23 Annual report is attached at Appendix 1.

## Other options considered

- 1.7 Not applicable

## Legal and financial implications

- 1.8 None specific, although understanding the financial position of each company has been a key part of the Committee's focus.

## Corporate implications

- 1.9 None. The formation of the Shareholder Committee was consistent with guidance issued by recognised bodies such as CIPFA and the best practice advice in the Local Authorities Companies Review Guidance led by Max Caller, Strategic Adviser and Lead Inspector for HM Government.



## Consultation and communication

- 1.10 Comments and feedback from the Shareholder Committee will be incorporated in to the final version of the annual report to be presented to Cabinet on 9 May 2023.

## Next steps and review

The Annual Report will be presented to Cabinet on 9 May 2023, for Cabinet to note the work undertaken by the Shareholder Committee over the 2022/23 period.

## Background papers

[Buckinghamshire Shareholder Committee Papers](#)

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# **Buckinghamshire Shareholder Committee Annual Report 2022/23**

Date: 28 March 2023

## Foreword

As Chairman of the Buckinghamshire Shareholder Committee, I am pleased to present our inaugural annual report to Cabinet. I would like to give thanks to my fellow Cabinet colleagues, who are Members of the Committee, for their valuable input and effective questioning of our subsidiary bodies as well as to the supporting officers and those representatives from the respective company/joint venture who have attended meetings and answered our many challenging questions and requests for information.

On behalf of the Cabinet, the Committee carries out the shareholder responsibilities of the Council. In doing so it strengthens the proper governance of the Council's subsidiaries, which became particularly pertinent in light of issues arising at other local authorities. Amongst a range of responsibilities, the Committee safeguards the Council's interests by providing effective oversight of each subsidiary, particularly in respect of their finances and other high risk areas; the Committee ensures that policies and boundaries established by the Council are adhered to; and that due diligence is undertaken on each company to ensure liabilities are known and accounted for.

This report summarises the main issues which have been reviewed and challenged throughout the year. The Buckinghamshire Shareholder Committee met for the first time in July 2022. Since then the Committee has approved its remit and Terms of Reference, attended a training day along with Company Directors, approved Conflicts of Interest Guidance, which was necessary to ensure that our members and officers understand ethical governance and how to avoid the appearance or reality of conflicted interests. We also reviewed Director appointments and the make-up of Boards to ensure consistency and appropriate skillsets, and reviewed each subsidiaries Business Plans for the forthcoming year along with their respective financial positions.

**Councillor John Chilver**

**Chairman of the Buckinghamshire Shareholder Committee**

### Committee Members



**Councillor John Chilver**,  
Chairman of the  
Shareholder Committee  
& Cabinet Member for  
Accessible Housing and  
Resources



**Councillor Steve  
Broadbent**, Cabinet  
Member for Transport



**Councillor Anita  
Cranmer**, Cabinet  
Member for Education  
and Children's Services



**Councillor Peter  
Strachan**, Cabinet  
Member for Planning  
and Regeneration

## Introduction and Background

The Shareholder Committee has a formal delegation from Cabinet to fulfil the Council’s responsibilities as the shareholder in relation to companies and other legal entities which are wholly or partly owned or controlled by the Council (including where such control comes about indirectly, such as via a loan agreement). In doing so, the Committee forms part of the overall company governance arrangements for Buckinghamshire Council. The Council has a number of mainly property based subsidiary companies and limited liability partnerships in place. The Committee focuses on Aylesbury Vale Estates, a joint venture with Akeman Asset Management, Consilio Property Limited, and Buckinghamshire Advantage, which was originally the operational arm of the Buckinghamshire Local Enterprise Partnership.

The Committee aims to ensure that the Councils companies and limited liability partnerships act in the interests of the Council, as shareholder, and that best practice is being adhered to in delivering statutory arrangements and that investment returns and/or what the businesses offer will help to ensure that the Council continues to deliver quality services to our residents.

Audit reports coming out of other local authority arrangements relating to wholly or partly owned companies stressed the need to ensure that sufficient checks and balances are in place and in particular that risks are appropriately managed, that there is an effective scrutiny function and that challenge of political priorities by both members and officers is seen as a positive. This provides an important message that all councils establishing commercial entities should be alive to what is referred to as “institutional blindness”. The Council also recognised that external auditors, such as Grant Thornton, had issued public interest reports where local authority companies had performed poorly and governance arrangements were found to be inadequate.

The formation of the Shareholder Committee was consistent with guidance issued by recognised bodies such as CIPFA and the best practice advice in the Local Authorities Company Review Guidance (2021) led by Max Caller, Strategic Adviser and Lead Inspector for HM Government.



## Areas the Committee has focussed on in 2022/23

The Shareholder Committee met four times during the 2022-23 period following Cabinet approval of its creation in March 2022. In addition to this, the Committee attended a training day alongside Company Directors. At its first meeting, the governance arrangements of each

subsidiary was considered, along with the shareholder/member agreements and the existing business plans. The early tasks along with approving the [Committee's Terms of Reference](#), were to agree timing and methodology for the review of business plans and financial positions, with a particular focus on loan structures, terms and interest rates. It also became apparent that there needed to be clear guidance around officer and member conflicts of interest when appointing to director/board member roles. Further, a review of Directors was also necessary to ensure a level of consistency within each of the companies.

## Training

The Committee recommended training be provided to all subsidiary directors and relevant Cabinet Members. The Committee Members also attended the training session which an external provider successfully delivered in September 2022. The training supported Members and Officers in understanding all responsibilities that their roles entail and the key risk areas that they are required to be aware of.

On the back of this, Shareholder Agreements and Articles of Association were reviewed to ensure they fit with best practice and no inconsistencies were found.

## Conflicts of Interest Guidance

**Conflicts of Interest Guidance**

**Guidance for members and officers – council companies and joint ventures**

This is a practical guide for officers and councillors who may have a role in connection with the Council's trading companies and joint ventures. It helps them – and the Council itself - to recognise the interests involved and to avoid a conflict between them.

The guidance sets out:

- A. Why this guidance matters
- B. Recognising the different roles
- C. Avoiding the problem – the appointment of directors
- D. Recognising the interests involved
- E. Behaviours, codes of conduct and responsibilities
- F. Handling conflicts of interest

Annex – further information

**A. Why this guidance matters**

Being a director of a local authority-controlled company requires officers and elected members appointed to those roles to operate in a completely different legal and philosophical framework to that they are used to inside their local authority. It can lead to real conflicts between the duty owed to the company and the interests of your council.

It can also lead to conflicts of interest on a personal level which makes holding some roles in a local authority unviable whilst continuing as a director. It is necessary to make different assumptions about how things operate and what issues you need to have demonstrated you took into account, and what had no influence.

Too often, this is not understood until problems arise, resulting in reputational and financial damage and in some cases, external intervention directly impacting on your authority.

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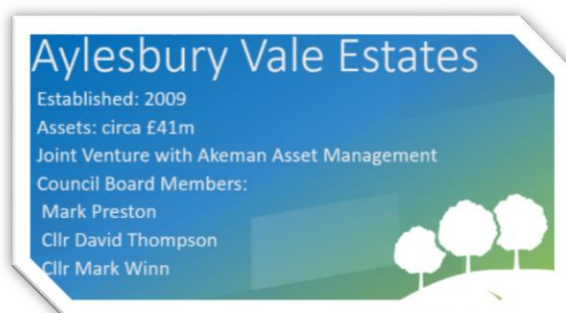
As such, the Committee approved the [conflicts of interest guidance](#) which has been circulated to each Director of the subsidiary companies and:

- recognises the various roles involved and the differences across each role
- provides clear guidance for the Council in appointing directors including appointments being related to the relevant position in the council, rather than an individual
- outlines how to recognise potential conflicts and how to handle them
- notes the behaviours, codes and responsibilities that need to be adhered to.

## Review of Directors

Linked to the conflicts of interest guidance, is the review of directors, in respect of which the Committee has made a number of recommendations. This review has been important to ensure that officers and members appointed to such roles possess the appropriate skillset and are not conflicted by their 'day job' or Cabinet responsibilities. It is also required to ensure that there is consistency across the companies and that there is at least one officer and one member on the respective Boards.

Further, the creation of a pool of potential officers and members suitable to undertake such roles provides greater resilience in the event of a Director/Board Member resigning from their role. Moving forwards, in line with the Terms of Reference, new appointments will be made through the Shareholder Committee.



Appointments as at February 2023

## Business Plans and Statements of Accounts

In addition to challenging each company/joint venture on performance against their existing Business Plans, the Committee has dedicated time in each of its last two meetings of the 2022-23 year to review the Business Plans for the upcoming financial year and challenged Directors/Board Members on the respective companies' intentions for the forthcoming years. Discussions have been held with Directors/Board Members of Aylesbury Vale Estates, Consilio Property Limited and Buckinghamshire Advantage.



Through discussions and reports provided, the Committee has a solid understanding of the loan structures, terms and repayments for each company/joint venture, making suggestions as to ways the respective company's leadership could approach their open loans. The Committee has also ensured it has knowledge of occupancy levels and tenancy issues of different sites owned by the respective companies.

Whilst it is for the Board and Directors to set the path they wish the businesses take, the Committee has provided input and feedback on future plans, whether it be Consilio considering becoming a registered housing provider, or the Council working in partnership with Aylesbury Vale Estates on future developments.

## The year to come and 2023/24 priorities

Overall, it has been a positive first year for the Shareholder Committee and this work will be built on in the coming year, with the Committee continuing to ensure satisfactory governance arrangements, performance and effective risk management. It is expected to be another busy, challenging year for each of the companies who have to navigate their way through the current economic climate and deliver on their varying business plan priorities.

The Committee's priorities for 2023-24 include creating a pool of trained potential future directors, strengthening risk management arrangements of the companies and reviewing best practice / learning from other local authority companies.

The Committee, acting as Shareholders, will continue to ensure that the Council's interests are safeguarded and ultimately best value is achieved for residents and businesses of Buckinghamshire.



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