



## Buckinghamshire Shareholder Committee agenda

Date: Wednesday 18 October 2023

Time: 2.00 pm

Venue: ~~The Paralympic Room~~, **The Jubilee Room**, Buckinghamshire Council,  
Gatehouse Road, Aylesbury HP19 8FF

### Membership:

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

| Agenda Item   | Page No        |
|---|----------------|
| <b>1 Apologies for Absence</b>  |                |
| <b>2 Declarations of Interest</b>   |                |
| <b>3 Minutes of the previous meeting</b><br>To confirm the minutes of the meeting held on 21 June 2023 as a correct record.   | <b>3 - 6</b>   |
| <b>4 Best Practice Review - Governance</b><br>To consider the best practice review of company governance.   | <b>7 - 38</b>  |
| <b>5 Buckinghamshire Advantage - Review of Key Performance Indicators</b><br>To review the Key Performance Indicators as set out in the attached 2022/23 business plan. These are: <ul style="list-style-type: none"><li>Secure reserved matters approval to achieve a relevant planning permission – to be submitted in late September/early October with the aim of being consented by December to enable start on site in Spring 2024.</li><li>Complete a marketing and disposal exercise - likely to commence in Autumn 2024 with the ambition that a partner would be appointed and commissioned by summer 2024.</li></ul> | <b>39 - 40</b> |
| <b>6 Forward Plan</b><br>To comment on and note the Buckinghamshire Shareholder Committee forward plan 2023/24.   | <b>41 - 44</b> |

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|-----------|---|------------------|
| <b>7</b>  | <b>Date of the next meeting</b><br>10 January 2024 at 2 p.m.  |                  |
| <b>8</b>  | <b>Exclusion of the public</b><br>To resolve:<br><br>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.   |                  |
| <b>9</b>  | <b>Confidential minutes of the previous meeting</b><br>To confirm the confidential minutes of the meeting held on 21 June 2023 as a correct record.   | <b>45 - 52</b>   |
| <b>10</b> | <b>Buckinghamshire Advantage Draft Financial Accounts 2022/23</b><br>To review the 2022/23 financial accounts of Buckinghamshire Advantage  | <b>53 - 70</b>   |
| <b>11</b> | <b>Aylesbury Vale Estates update, Draft Financial Accounts 2022/23 and Risk Register</b><br>To consider: <ul style="list-style-type: none"> <li>• Progress to date against the 2023/24 business plan, including financial position and outstanding loans</li> <li>• Draft Financial Accounts 2022/23</li> <li>• The company's risk register</li> <li>• An update on key performance indicators</li> </ul> | <b>71 - 126</b>  |
| <b>12</b> | <b>Consilio Draft Financial Accounts 2022/23</b><br>To review the 2022/23 financial accounts of Consilio  | <b>127 - 144</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 21 June 2023 in The Paralympic Room, Buckinghamshire Council, Gatehouse Road, Aylesbury HP19 8FF, commencing at 2.00 pm and concluding at 4.00 pm.

### Members present

J Chilver (Chairman) and S Broadbent

### Agenda Item

#### 1 Confirmation of Chairman

**Resolved:** To note that in line with the terms of reference, Councillor John Chilver would remain as Chairman of the Buckinghamshire Shareholder Committee for the ensuing year.

#### 2 Apologies for absence

Apologies for absence had been received from Councillors A Cranmer and P Strachan.

#### 3 Declarations of Interest

There were no Member declarations of interest. Mr M Preston, Assistant Director of Finance declared that he was a Board Member of Aylesbury Vale Estates.

#### 4 Minutes of the previous meeting

In relation to the outstanding actions it was noted that the Buckinghamshire Shareholder Committee Annual Report 2022-23 had been amended following the previous meeting to include reference that the Committee had no direct operational input into the subsidiaries. The Annual Report had been presented to Cabinet on 9 May 2023, where it was noted.

The Forward Plan had been drafted and was included within the agenda pack under item 5.

**Resolved:** that the minutes of the meeting held on 28 March 2023 were approved as an accurate record.

**5 Forward Plan**

**Resolved:** that the forward plan be noted.

**6 Date of the next meeting**

18 October 2023 at 2 p.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 28 March 2023 be confirmed as an accurate record and updates on the actions be noted.

**9 AVE Update**

Mr M Preston, Board Member, Aylesbury Vale Estates (AVE) attended to provide a verbal update on outstanding actions from the previous confidential minutes. Mr Preston provided information to the Committee on risk registers, finances and consistency throughout the business plan.

The risk registers and draft 2022/23 financial accounts would be presented at the next Committee meeting in October 2023.

**Resolved:** that the verbal update be noted.

**10 Buckinghamshire Advantage Risk Register**

Mr Richard Harrington, Director, Buckinghamshire Advantage attended to provide a brief company update and present the company's Risk Register. The Committee held a detailed discussion on the contents and discussed areas including governance, planning applications, marketing, and the future direction of the company.

**Resolved:** that the Risk Register and update be noted.

**11 Consilio Business Plan Update**

Mr Nigel Dicker and Mr David Pearce, Consilio Directors, and Ms Joanne Kingsnorth, Managing Director, Seymour Taylor attended to present the business plan update. This was an interim business plan until the business case would be presented to the Committee in October 2023. A detailed discussion was held, during which the Committee questioned areas including proposed plans for the future direction of the company, outstanding loans and plans for repayment, rent reviews and arrears for tenants.

**Resolved:** that the Business Plan update be noted.

**12 Consilio Risk Register**

Mr Nigel Dicker and Mr David Pearce, Consilio Directors, and Ms Joanne Kingsnorth, Managing Director, Seymour Taylor presented the company's Risk Register. An updated risk register would be presented to the Committee in October 2023. A detailed discussion was held on its contents as part of agenda item 11.

**Resolved:** that the Risk Register be noted.

**13 Consilio Draft Annual Accounts 2022/23**

This item was discussed within item 11. The Committee held a detailed discussion on the draft annual accounts for 2022/23, which were nearing completion and should be ready to be audited in the coming weeks.

**Resolved:** that the draft annual accounts for 2022/23 be noted.

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# Report to Shareholder Committee

|                                       |   |
|---------------------------------------|---|
| <b>Date:</b>                          | <b>18 October 2023</b>  |
| <b>Title:</b>                         | <b>Best Practice Review - Governance</b>  |
| <b>Relevant councillor(s):</b>        | <b>All</b>  |
| <b>Author and/or contact officer:</b> | Nick Graham, Service Director, Legal and Democratic<br>Richard Ambrose, Director – Major Projects<br><br>Contact officer: Glenn Watson, Principal Governance Officer. |
| <b>Ward(s) affected:</b>              | <b>All</b>  |

## Recommendations:

- 1) to consider and note the best practice review of company governance (Annex 1)
- 2) to incorporate actions marked 'Amber' and 'Red' into the Committee's action programme for further review.

## Reason for decision:

Since 2021, a body of best practice has developed for local authority company governance. This followed Government inspections at some local authorities. A resulting toolkit, *Local Authority Company Review Guidance* sets out a checklist for evidencing good governance for councils' commercial entities. This report assesses the Council's entity arrangements against this checklist highlighting compliance and areas for further action.

## 1. Background:

1.1 Ensuring good governance of the Council's commercial entities by both the Council and the entities themselves is a key part of the Committee's role. The Committee's action plan therefore included a review of these arrangements in the light of emerging best practice. This report takes the checklist within *Local Authority Company Review*

*Guidance (2021)* and assesses the degree of compliance. The Annex to this report summarises the outcomes for the Council (in the sections marked 'C') and the entities (E).

- 1.2 The importance of this exercise was recognised by the Lead Inspector for HM Government, Max Caller, who said in the forward to the guidance: "In the report of the rapid review of Nottingham City Council, which I led in 2020, it was recommended that guidance was commissioned to aid local authorities in this area. Following the approach set out in this guidance and toolkit will help us all avoid the obvious traps."

## **2. The scope of the review**

- 2.1 The best practice checklist within *Local Authority Company Review Guidance* is comprehensive and covers the following:

### The Council

- 1) Governance aims – culture, proportionality
- 2) The shareholder's role – clarity, training
- 3) Oversight, scrutiny and governance framework – performance, risk and audit
- 4) Business case for the entity – objectives
- 5) Agreements with the entity – documented
- 6) Avoiding/managing conflicts of interest
- 7) Appointments to the Board – process

### The entities

- 8) Articles of Association – documented
- 9) Business planning – up to date
- 10) Role and behaviours of the Board – meetings structure, culture
- 11) Role and behaviours of the Directors – skills, culture of compliance
- 12) Company board composition – diverse skills and membership
- 13) Risk management – Board's approach
- 14) Skills and development - Board members
- 15) Role of executive and non-executive Directors – clearly defined
- 16) Role of Board chair – quality of leadership
- 17) Financial management – business planning monitors financial performance



### 3. Key themes and outcomes

#### Themes

- 3.1 The creation and conduct of the Shareholder Committee since 2022 has greatly improved the Council's governance of its entities. Annex 1 clearly shows the extent of current compliance with best practice. This includes areas such as proactively reviewing company business plans, developing conflicts of interest guidance, arranging core training, and establishing processes for the appointment of directors. The scope of the Best Practice Checklist has been discussed with the Head of Business Assurance. An Internal Audit of entity governance is scheduled for Quarter 3. This will include many of the checklist points, enabling additional evidence to be collected and an opportunity for further review of our entities' compliance. The outcome and recommendations of the Quarter 3 audit review will be brought to the Committee for further consideration.
- 3.2 Each of the 17 areas above is assessed in Annex 1 via a RAG rating (Red, Amber, Green). Amber and Red indicate areas where the Committee can usefully target further work. Green indicates that the arrangements are currently deemed compliant. It is suggested that the Amber and Red items are included on the Committee's Action Plan with progress reports made at each subsequent meeting.
- 3.3 The areas for improvement can be grouped into several themes:
- a) **Purpose and efficacy of the entity:** the need, periodically, to check that the companies/entities are in alignment with Buckinghamshire Council's strategic objectives; and to evidence that they are still necessary and fit for purpose
  - b) **Sufficiency of key governance:** periodic checks on the quality and currency of the Council's agreements with entities; their articles of association
  - c) **Entities' culture, performance and behaviours:** evidence that the entities have, and are delivering upon, Key Performance Indicators and Risk Registers; reviewing the viability and health of the entities' internal workings and culture
  - d) **Embedding governance:** raising further awareness of the entities – and the shareholder role - within the Council, including: regularly reporting to the Cabinet; review of governance by the Audit & Governance Committee; appropriate Select Committee work programme; and ensuring that reviewing company governance also features in the work programmes of the Council's Business Assurance Team (e.g. internal audit and risk).

#### Outcomes and actions

- 3.4 These are the outcomes recommended for further action for the Shareholder Committee. The responsible person/body is indicated below – and owners for all actions are in Annex 1. The Committee will receive an action update at each meeting.

| Red Rating                      |   |
|---------------------------------|---|
| C8                              | Establish clear Key Performance Indicators (KPIs) – to enable measurement of the entities’ alignment to the Council’s strategic objectives (Owner: Shareholder Committee, Company Directors)  |
| C9                              | Undertake a review of each entity’s internal structure and performance mechanisms (Shareholder Committee, Company Directors)  |
| Amber Rating                    |   |
| C3 & C15                        | Potential for the Committee, as part of its annual review of each entity, to consider “whether the entity provides the most effective vehicle to deliver the outcomes it requires and whether there are suitable alternatives” (Cabinet, Shareholder Committee)   |
| C4                              | Annual review of its own terms of reference. Annual report to Cabinet on terms of reference; and on entities’ health and alignment to Council’s strategic objectives. (Cabinet, Shareholder Committee)  |
| C5                              | Further training arranged in October 2023 for the current director who missed the previous training and for potential future directors of companies. (Cabinet)  |
| C7                              | Connections with the work programmes for the Audit & Governance Committee; and Select Committee. (Director of Legal and Democratic Services)  |
| C10                             | Review of performance quality (including KPIs) to be reported (alongside financial performance). (Shareholder Committee)  |
| C11 & C14                       | Further review of risks relating to both Consilio and Aylesbury Vale Estates to come to the next meeting and then on a six-monthly basis. (Shareholder Committee, Audit & Governance Committee, Chief Internal Auditor).<br><br>Review updated business case for Consilio that is due to come to the next Shareholder Committee meeting. (Cabinet, Shareholder Committee) |
| C13                             | Review audit findings following internal audit review of subsidiary bodies in Q3 2023/24. (Shareholder Committee, Audit & Governance Committee, Chief Internal Auditor).  |
| E3                              | Review the internal governance and decision-making mechanisms of each company/entity (via internal audit review in Q3). (Shareholder Committee, Chief Internal Auditor).<br><br>Request each entity to complete answers to questions E3 to E7 for consideration by the Committee. (Entities)  |
| E10                             | Committee to ask for information on the entity’s scheme of delegation and the extent of authorities under it. (Shareholder Committee)   |
| E13<br>E14<br>E15<br>E19<br>E24 | In the internal audit review in Q3, review the entities’ own means of:<br><br>a) assessing and managing risk<br><br>b) assessing skills in practice<br><br>c) identifying, delivering, reviewing and recording training and the scope   |

|            |  |
|------------|--|
|            | <p>d) role of the Chair of each Board</p> <p>e) financial procedures</p> <p>f) internal controls</p> <p>(Shareholder Committee, Chief Internal Auditor)</p>  |
| E19<br>E20 | <p>Authorise a Shareholder Committee representative to observe a meeting(s) of each entity's board to view the role in practice (re: culture and conduct of meetings. (Shareholder Committee)</p> <p>Undertake occasional review of Board reports (content, quality, topic). (Shareholder Committee)</p> |

#### **4. Next steps**

4.1 It is recommended that the actions summarised under paragraph 3.4 are adopted into the Committee's ongoing work programme. These will then be timetabled for action and reporting, mindful of the priorities.

#### **5. Legal and financial implications**

5.1 The 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.

5.2 There are no financial implications arising from the recommendations in the report; their implementation would not, themselves, require additional resource.

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**SUMMARY OF EVIDENCE****1) Council Governance Arrangements**

| Evidence   | What should you be able to find?  | What evidence have you found?   | RAG Rating | Actions Recommended | Responsible person/ body |
|--|---|---|------------|---------------------|--------------------------|
| <b>Governance aims</b>   |   |   |            |                     |                          |
| <b>C1</b> There should be evidence that the council and senior management recognise the importance of establishing appropriate and proportionate governance arrangements for the oversight of entities | <ul style="list-style-type: none"> <li>The council has sufficient control to ensure that its investment can be obtained and that the activities of the entity are aligned with the values and strategic objectives of the council</li> <li>“Teckal” companies demonstrate compliance with relevant exemption requirements under EU procurement law</li> </ul> | <p>Established specific governance structure in March 2022, as recommended by Max Caller: a Shareholder Committee of the Cabinet to represent the Council’s interests and to effect clear oversight of the entities (meets quarterly).</p> <p>The committee approves the annual business plans of the entities.</p> <p>Leadership Team and Cabinet responded to ‘best practice’ reports arising from the experience of other authorities.</p> | G          | None                | CMT, Cabinet             |
| <b>C2</b> There should be evidence of a culture of challenge and clarity relating to the purpose, efficiency,  | <ul style="list-style-type: none"> <li>There is a culture of challenge</li> <li>There is a clarity of purpose</li> <li>The entity has clear objectives</li> <li>The entity has sufficient freedoms to achieve its objectives</li> </ul>   | <p>Terms of reference of the Shareholder Committee specifically envisage a check and challenge role.</p> <p>Borne out in the action plan of the Committee and the challenge sessions with company</p>   | G          | None                | Shareholder Committee    |

| Evidence  | What should you be able to find?  | What evidence have you found?  | RAG Rating | Actions Recommended  | Responsible person/ body              |
|---|---|--|------------|--|---------------------------------------|
| effectiveness, specific objectives, and freedoms of the entity  |   | <p>representatives on successive agendas.</p> <p>The committee has reviewed the articles of association, annual business plans and the financial position of all of the subsidiary bodies.</p>   |            |  |                                       |
| <b>The council's shareholder role</b>   |   |  |            |  |                                       |
| <p><b>C3</b> There should be a clearly designated council shareholder role or function which is both understood and recognised by the council and the entity (and documented in terms of reference)</p> | <ul style="list-style-type: none"> <li>• The council has a designated “shareholder” role to represent its ownership of the entity</li> <li>• The shareholder provides oversight of any decisions taken by the entity</li> <li>• The shareholder provides a regular review of whether the entity provides the most effective vehicle to deliver the outcomes it requires and whether there are suitable alternatives</li> <li>• The process for appointing a shareholder is set out in terms of reference</li> </ul> | <p>Shareholder Committee established July 2022 with terms of reference to carry out the Council’s shareholder role and scrutinise the purpose and effectiveness of the companies.</p> <p>The Committee has reviewed the purpose of the entities and questioned the need for one of these (Consilio).</p> <p>The process for appointing members to the Committee is set out in the terms of reference.</p> <p>Cabinet is the parent body.</p> | A          | <p>Potential for the Committee, as part of its annual review of each entity, to consider “whether the entity provides the most effective vehicle to deliver the outcomes it requires and whether there are suitable alternatives”.</p> | <p>Cabinet, Shareholder Committee</p> |

| Evidence   | What should you be able to find?  | What evidence have you found?  | RAG Rating | Actions Recommended  | Responsible person/ body              |
|--|---|--|------------|--|---------------------------------------|
| <p><b>C4</b> There should be clarity regarding the role of shareholder, with reserved matters clearly documented and updated as required, reflecting any changes made as the entity has developed, in a shareholder’s agreement (or as set out in the company’s governing articles of association)</p> | <ul style="list-style-type: none"> <li>• The council has sufficient control to ensure that its investment is protected, appropriate returns on investment can be obtained and that the activities of the entity are aligned with the values and strategic objectives of the council</li> <li>• “Teckal” companies demonstrate compliance with relevant exemption requirements under EU procurement law</li> </ul> | <p>Financial position of the entities regularly reviewed.</p> <p>Cabinet-level membership of the Committee; senior officer support – to assist ensuring alignment to strategic objectives.</p> <p>Annual report covering the activities of the committee is reported to Cabinet.</p> | <p>A</p>   | <p>Committee to undertake an annual review of its own terms of reference and make any recommendations on potential refinement, e.g. based on best practice, and experience, to Cabinet.</p> <p>Annual report made to Cabinet to also confirm the health of the entities and their alignment to the Council’s strategic objectives.</p> | <p>Cabinet, Shareholder Committee</p> |
| <p><b>C5</b> There should be evidence that the individual undertaking the shareholder role is provided with suitable training and support</p>  | <ul style="list-style-type: none"> <li>• There is a culture of challenge</li> <li>• There is a clarity of purpose</li> <li>• The entity has clear objectives</li> <li>• The entity has sufficient freedoms to achieve its objectives</li> </ul>   | <p>Training took place for all members of the Committee, its supporting officers and the company directors in September 2022. Well attended with great feedback received.</p>  | <p>A</p>   | <p>Further training arranged in October 2023 for the current director who missed the previous training and for potential future directors of companies.</p>  | <p>Cabinet</p>                        |

| Evidence  | What should you be able to find?   | What evidence have you found?  | RAG Rating | Actions Recommended   | Responsible person/ body                  |
|---|--|--|------------|---|---|
| commensurate with the role  |  |  |            |   |   |
| <b>C6</b> There should be evidence of formal periodic shareholder/Chair/CEO meetings with effective supporting papers to inform subsequent company board meetings | <ul style="list-style-type: none"> <li>The shareholder has a mechanism to communicate its view to the entity</li> <li>Periodic and effective shareholder/Chair/CEO meetings are documented</li> </ul>  | Shareholder Committee provides a formal forum for engagement with the entities. Representatives of the entities are invited to present reports.  | G          | None  | Shareholder Committee                     |
| <b>Council oversight, scrutiny, and governance framework</b>  |  |  |            |   |   |
| <b>C7</b> There should be documented evidence of transparent member and officer scrutiny, oversight, and approval of business plans                               | <ul style="list-style-type: none"> <li>There is a clearly defined governance framework underpinned by clear governance principles</li> <li>The role of shareholder is separate from the board</li> <li>The business plan is current and updated at least annually</li> <li>The business plan is challenged and monitored by the board</li> </ul> | <p>Shareholder Committee clearly established to terms of reference separate from Cabinet, with delegated responsibilities.</p> <p>Shareholder Committee meetings cover review and approval of the annual business plans.</p> | A          | Make appropriate connections for the select committees and the Audit & Governance Committee – so that the governance itself and the work of the Committee receive adequate scrutiny and transparency. A&G Committee to give annual review to the developing governance arrangements. Select Committee to be aware of the <i>work</i> of the Committee and | Director of Legal and Democratic Services |



| Evidence   | What should you be able to find?  | What evidence have you found?   | RAG Rating | Actions Recommended   | Responsible person/ body                 |
|--|---|---|------------|---|--|
|  |   |   |            | have the opportunity to reflect it in Select Committee forward plan.  |  |
| <b>C8</b> There should be evidence of a clear set of KPIs that fall out of the business planning process | <ul style="list-style-type: none"> <li>The council regularly undertakes an objective assessment of how successfully each entity supports it policies and strategies</li> <li>KPI's are relevant to "SMARTER" goals</li> <li>KPIs are reported and monitored within the context of the governance framework</li> </ul> | <p>Performance of the entities is monitored through structured agenda items/reports/challenge sessions.</p> <p>The Shareholder Committee have requested that entity KPI's be brought to the next meeting as these were not presented alongside the annual business plans.</p> | R          | Establish clear KPIs – to enable measurement of the entities' alignment to the Council's strategic objectives.    | Shareholder Committee, Company Directors |
| <b>C9</b> There should be evidence that senior company staff are performance managed against KPIs        | <ul style="list-style-type: none"> <li>Board, committee, chair, and director performance is evaluated annually, including against agreed KPIs</li> </ul>  | <p>Performance of the entities is monitored through structured agenda items/reports/challenge sessions.</p>   | R          | Undertake a review of each entity's internal structure and performance mechanisms.                                | Shareholder Committee, Company Directors |
| <b>C10</b> There should be evidence of ongoing assessment of   | <ul style="list-style-type: none"> <li>Regular reviews take account of value-for-money and performance quality</li> </ul>   | <p>Performance of the entities is monitored through structured agenda items/reports/challenge</p>   | A          | Review of performance quality (including KPIs) to be reported on going forward (alongside financial performance). | Shareholder Committee                    |

| Evidence  | What should you be able to find?  | What evidence have you found?   | RAG Rating | Actions Recommended  | Responsible person/ body  |
|---|---|---|------------|--|---|
| value-for-money and quality offered by the entity through an adequately resourced monitoring function   |   | <p>sessions (including review of entities annual accounts).</p> <p>A review of non-financial performance / quality has yet to be considered by the Shareholder Committee.</p> |            |  |   |
| <b>C11</b> There should be ongoing assessment of risks relating to the entity, supported by processes to ensure that risks are managed as part of the council’s overall risk management approach, with appropriate escalation and reporting | <ul style="list-style-type: none"> <li>The council regularly reviews risks relating to its entities and establishes whether they are effectively managed and scrutinised</li> <li>The council's overview and scrutiny committee (or equivalent) provides overview, pre-decision scrutiny and call-in decisions in relation to the entity</li> </ul> | The Shareholder Committee has reviewed risks registers of the subsidiary bodies. These were comprehensive for Buckinghamshire Advantage but less so for the others.           | A          | <p>Further review of risks relating to both Consilio and Aylesbury Vale Estates to come to the next meeting and then on a six-monthly basis.</p> <p>Ensure that the role and work of the Shareholder Committee, and the performance of the entities, is reflected in the Council’s Business Assurance Team’s work programme.</p> | Shareholder Committee, Audit & Governance Committee, Chief Internal Auditor |
| <b>C12</b> There should be evidence of a consistent   | <ul style="list-style-type: none"> <li>All council entities are managed in a consistent way</li> </ul>  | Performance of the entities is monitored through structured   | G          | None   | Shareholder Committee   |

| Evidence   | What should you be able to find?   | What evidence have you found?  | RAG Rating | Actions Recommended  | Responsible person/ body  |
|--|--|--|------------|--|---|
| approach across the council when it comes to engaging with its entities  | with appropriate support, guidance and controls  | agenda items/reports/challenge sessions.   |            |  |   |
| <b>C13</b> The council should have clear and unfettered access to audited accounts for its entities  | <ul style="list-style-type: none"> <li>The council’s audit committee pays specific attention to accounts and audit reports</li> <li>The council’s internal auditors are able to gain clear and transparent access to financial information and oversight of internal controls</li> </ul>                 | <p>Group accounts produced for main subsidiary bodies and audited as part of the overall Buckinghamshire Council accounts (approved by Audit &amp; Governance Committee).</p> <p>Internal audit of subsidiary bodies has been programmed in for Q3 2023/24.</p>  | A          | Review audit findings following internal audit review of subsidiary bodies in Q3 2023/24.                | Shareholder Committee, Audit & Governance Committee, Chief Internal Auditor |
| <b>Business Case for the entity</b>  |  |  |            |  |   |
| <b>C14</b> A business case which assessed the risk involved in establishing the entity and recommended its establishment, taking account of other potential delivery models, should be available to review | <ul style="list-style-type: none"> <li>There is a clear and comprehensive business case that recommended the creation of the entity</li> <li>The business case took account of alternative delivery methods, with the case for the entity’s creation having clear benefits over other methods</li> </ul> | <p>Original business cases were pre-unitary. Purpose of companies has been reviewed and challenged, particularly for Consilio both in terms of the commercial acquisitions within it and the viability of future affordable housing proposals.</p> <p>Performance of the entities is monitored through structured agenda items/reports/challenge sessions.</p> | A          | Review updated business case for Consilio that is due to come to the next Shareholder Committee meeting. | Cabinet, Shareholder Committee  |

| Evidence   | What should you be able to find?  | What evidence have you found?  | RAG Rating | Actions Recommended   | Responsible person/ body |
|--|---|--|------------|---|--------------------------|
| <b>C15</b> Objectives of the entity defined and documented, and regularly reviewed to ensure that its operation continues to support council policy and strategy, including periodically reviewing the business case to ensure it is still valid | <ul style="list-style-type: none"> <li>The objectives of the entity are clearly articulated, defined and documented</li> <li>The objectives are regularly reviewed</li> <li>The objectives continue to reflect council policy and strategy</li> <li>The business case and objectives are regularly reviewed to ensure they are still valid</li> </ul> | <p>Objectives clearly articulated within articles of memorandum and business plan. Will be reviewed on an annual basis.</p> <p>Consilio business case / objectives to be reviewed at next Shareholder Committee meeting.</p> | A          | Potential for the Committee to review the objectives of each entity and whether it provides the most effective vehicle to deliver the outcomes it requires and whether there are suitable alternatives. | Shareholder Committee    |
| <b>Agreements with the entity</b>  |   |  |            |   |                          |
| <b>C16</b> Agreements should be documented between the council and the entity for any support or services provided by either party to the other party  | <ul style="list-style-type: none"> <li>The council and entity have clear and commented agreements for any services or support provided by either party to the other party</li> <li>There is a clear process for escalation if the support or services agreements are not performed to either party's satisfaction</li> </ul>                          | <p>These have been reviewed and little support or services provided directly.</p> <p>Shareholder Committee provided with clear means of escalation if support or service arrangements are found wanting.</p>                 | G          | None  | Shareholder Committee    |

| Evidence  | What should you be able to find?  | What evidence have you found?  | RAG Rating | Actions Recommended | Responsible person/ body |
|---|---|--|------------|---------------------|--------------------------|
| <b>C17</b> All agreements should be clear, up-to-date and regularly monitored and reviewed, with any changes to agreements documented so that a clear audit trail exists  | <ul style="list-style-type: none"> <li>• Agreements for support or services between the parties are up-to-date and regularly monitored and reviewed</li> <li>• Changes to agreements are documented with a clear audit trail</li> </ul> | As above (C16).  | G          | None                | Shareholder Committee    |
| <b>Avoiding and managing conflicts of interest</b>  |   |  |            |                     |                          |
| <b>C18</b> There should be evidence that a culture exists whereby actual or potential conflicts of interests are identified, declared, and acted upon, including evidence of appropriate training across the organisation | <ul style="list-style-type: none"> <li>• All parties are trained and demonstrate a commitment to avoiding and monitoring actual or potential conflicts</li> </ul>   | <p>Bespoke conflicts of interest policy commissioned by the Committee and adopted in January 2023, based on the publication “Local Authority Company Review Guidance” and other best practice sources.</p> <p>Members of the Committee and directors of the entities provided with a copy of the guidance.</p> <p>Interests formed part of the training in September 2023.</p> | G          | None                | Shareholder Committee    |

| Evidence  | What should you be able to find?  | What evidence have you found?   | RAG Rating | Actions Recommended   | Responsible person/ body  |
|---|---|---|------------|---|---|
| <p><b>C19</b> The council should have clear and up-to-date policies and processes to consistently manage actual conflicts or potential conflicts of interest, including a clear process for investigations and procedures for appropriate disciplinary actions in the event of breaches</p> | <ul style="list-style-type: none"> <li>• There is a clear conflict of interest policy which is managed actively</li> <li>• There is a clear process for investigation and dealing with breaches of the conflicts of interest policy</li> <li>• Internal and external auditors review the management of conflicts of interest and escalate any concerns to the Monitoring Officer</li> </ul> | <p>Conflicts of Interest Policy established a process for managing interests, overseen by the Monitoring Officer.</p> | <p>G</p>   | <p>Adequacy of these arrangements to be reviewed as part of the Audit &amp; Governance Committee’s overall annual review of company governance. Business Assurance Team to factor company governance into their work programme.</p> | <p>Shareholder Committee, Director of Legal and Democratic Services</p> |
| <p><b>C20</b> The roles, responsibilities and reporting lines of officers and members who are involved in council oversight of the entities, the provision of</p>   | <ul style="list-style-type: none"> <li>• Officers and members make themselves available to scrutiny and other council governance forums</li> </ul>  | <p>Officers regularly attend the meetings of the Shareholder Committee in their public and exempt sessions.</p>       | <p>G</p>   | <p>Develop pen-portraits of the roles of those officers supporting the Shareholder Committee, e.g. as part of an annual refresh of the terms of reference; and/or in annual report</p>  | <p>CMT, Shareholder Committee</p>                                       |

| Evidence   | What should you be able to find?  | What evidence have you found?   | RAG Rating | Actions Recommended | Responsible person/ body   |
|--|---|---|------------|---------------------|----------------------------|
| services between the entities or the running of the entities should be clearly defined and documented  |   |   |            |                     |                            |
| <b>Council appointments to the board</b>   |   |   |            |                     |                            |
| <p><b>C21</b> There should be evidence that appointments to the board are subject to a documented formal, rigorous, and transparent procedure based on merit and published objective criteria which also promote diversity</p> | <ul style="list-style-type: none"> <li>• Board members have completed declaration of interest forms</li> <li>• Appointments to the board are relevant to the post or office of the council</li> <li>• Council appointed directors cease to be members if they leave their qualifying roles</li> <li>• The process for the appointment and renewal of directors is set out in the articles of association</li> <li>• If there is a remuneration committee, relevant matters are referred appropriately</li> <li>• Appointments are based on a review of the skills, qualifications, diversity, and other attributes required for the role</li> </ul> | <p>Shareholder Committee commissioned a review of the process for appointing directors and agreed a process in March 2023. The process was consistent with the Committee’s Conflicts of Interest Policy.</p> <p>In March 2023, the Committee reviewed the nature of current director appointments and clarified its intentions with regard to future appointments and their renewal.</p> <p>Nominations to be suggested by Cabinet (for members) and the Council’s senior leadership team – CMT – for officers, based on ability, skills and development; and with avoiding conflicts at the heart of their considerations.</p> | G          | None                | Shareholder Committee, CMT |

| Evidence  | What should you be able to find?  | What evidence have you found?   | RAG Rating | Actions Recommended                      | Responsible person/ body   |
|---|---|---|------------|--|--|
|   | <ul style="list-style-type: none"> <li>Where a board member is eligible for renewal and reappointment, this is subject to considering their performance to date and skills, and the needs of the board</li> </ul>   | <p>Declarations of interest forms completed regularly.</p> <p>Pool of Directors being created to ensure appropriate skills are available for future appointments.</p> |            |  |  |
| <b>2) Entity Governance Arrangements</b>  |   |   |            |  |  |
| Evidence  | What should you be able to find?  | What evidence have you found?   | RAG Rating | Actions Recommended                      | Responsible person/ body   |
| <b>Articles of Association</b>  |   |   |            |  |  |
| <b>E1</b> The entity's articles of association should be clear, up-to-date, and reflective of how the entity is run | <ul style="list-style-type: none"> <li>The entity has articles of association, documenting its constitution</li> <li>The articles address the entity's purpose, conduct of meetings, and role and appointment of directors</li> <li>If the entity is a Teckal company, the articles demonstrate that the council exercises control</li> </ul> | Reviewed to ensure up-to-date and relevant.   | G          | Annual review of articles of association | Shareholder Committee, Director of Legal and Democratic Services |
| <b>Business Planning</b>  |   |   |            |  |  |



| Evidence   | What should you be able to find?   | What evidence have you found?  | RAG Rating | Actions Recommended   | Responsible person/ body                      |
|--|--|--|------------|---|---|
| <b>E2</b> There should be evidence of an up-to-date business plan that is reflective of the current circumstances and environment in which the entity operates | <ul style="list-style-type: none"> <li>There is an up-to-date business plan, setting out the organisation’s objectives and how these will be resourced and achieved</li> <li>Requirements to meet the legal criteria in relation to any Teckal companies are reflected in the business plan</li> </ul> | Annual business plans approved by entities and reviewed at the Shareholder Committee for comment / endorsement.  | G          | None  | Shareholder Committee                         |
| <b>Role and behaviours of the board</b>  |  |  |            |   |   |
| <b>E3</b> There should be evidence that the board meets regularly to consider, review and record discussions and conclusions                                   | <ul style="list-style-type: none"> <li>The board meets regularly, and all decisions are recorded and documented</li> <li>Decisions are taken at the appropriate place, including deferral and recommendations of decisions on matters that are reserved for the shareholder</li> </ul>                 | <p>Performance of the entities is monitored through structured agenda items/reports/challenge sessions.</p> <p>A requirement can be added to provide evidence demonstrating compliance with E3-E7.</p> | A          | <p>Review the internal governance and decision-making mechanisms of each company/entity (via internal audit review in Q3).</p> <p>Request each entity to complete answers to questions E3 to E7 for consideration by the Committee.</p> | Shareholder Committee, Chief Internal Auditor |
| <b>E4</b> There should be evidence of delivery of strategies and plans including scrutinising key  | <ul style="list-style-type: none"> <li>The board has delegated detailed scrutiny to committees or directors with appropriate skills, including financial management</li> </ul>   | As above (E3)  | A          | As above (E3)   | Shareholder Committee                         |

| Evidence   | What should you be able to find?   | What evidence have you found? | RAG Rating | Actions Recommended | Responsible person/ body |
|--|--|-------------------------------|------------|---------------------|--------------------------|
| operational and finance performance information                          | <ul style="list-style-type: none"> <li>The board challenges performance and key financial operational reporting</li> </ul>   |                               |            |                     |                          |
| <b>E5</b> There should be evidence of the desired culture and behaviours | <ul style="list-style-type: none"> <li>The board promotes the success of the company</li> <li>The board provides entrepreneurial leadership</li> <li>Prudent and effective controls are demonstrated where risk is assessed and managed</li> <li>The board sets strategic aims and ensures sufficient resources (financial and human) are available to meet objectives</li> <li>The board reviews management performance, including that of the CEO/MD and leadership team</li> <li>The board sets corporate values and standards</li> <li>The board ensures obligations to shareholders and others are met</li> </ul> | As above (E3)                 | A          | As above (E3)       | Shareholder Committee    |
| <b>E6</b> The company structures should                                  | <ul style="list-style-type: none"> <li>The company structures are regularly reviewed</li> </ul>  | As above (E3)                 | A          | As above (E3)       | Shareholder Committee    |

| Evidence  | What should you be able to find?  | What evidence have you found?   | RAG Rating | Actions Recommended | Responsible person/ body |
|---|---|---|------------|---------------------|--------------------------|
| be regularly scrutinised in order to ensure they remain fit for purpose   | <ul style="list-style-type: none"> <li>Financial and performance benchmarking exercises are carried</li> </ul>  |   |            |                     |                          |
| <b>E7</b> There should be evidence that the board has clear policies and procedures for its members to ensure that actual or potential conflicts of interests are identified, declared and acted upon | <ul style="list-style-type: none"> <li>The board regularly monitors conflicts of interest, including with suppliers and users</li> </ul>  | As above (E3)   | A          | As above (E3)       | Shareholder Committee    |
| <b>Role and behaviours of company directors</b>   |   |   |            |                     |                          |
| <b>E8</b> There should be evidence that directors have sufficient skills and experience to run the entity   | <ul style="list-style-type: none"> <li>Directors' skills align well to the organisation's purpose and objectives</li> <li>Directors are trained so that they are competent in undertaking their roles and responsibilities</li> </ul> | Shareholder Committee adopted a process for nominating and appointing directors; this involves a requirement for all potential directors to receive training on the role. | G          | None                | Shareholder Committee    |

| Evidence   | What should you be able to find?  | What evidence have you found?  | RAG Rating | Actions Recommended  | Responsible person/ body     |
|--|---|--|------------|--|------------------------------|
| <p><b>E9</b> There should be evidence that directors' behaviours are aligned with the requirements of the Companies Act 2006 and the Nolan Principles as well as Cabinet Office's Code of Conduct for Board Members of Public Bodies</p> | <p>Directors:</p> <ul style="list-style-type: none"> <li>• Act within their powers</li> <li>• Promote the success of the company</li> <li>• Exercise independent judgement</li> <li>• Exercise reasonable care skill and diligence</li> <li>• Avoid conflicts of interest</li> <li>• Do not accept benefits from third parties</li> <li>• Declare an interest in proposed transactions or arrangements with the company</li> </ul> <p>Directors act in accordance with the seven Nolan Principles</p> <ul style="list-style-type: none"> <li>• Selflessness</li> <li>• Integrity</li> <li>• Objectivity</li> <li>• Accountability</li> <li>• Openness</li> <li>• Honesty</li> <li>• Leadership</li> </ul> | <p>The training approved by the Committee covers these elements.</p> | <p>G</p>   | <p>Requirement of entities to comment on Director performance against these principles.</p>                    | <p>Shareholder Committee</p> |
| <p><b>E10</b> The scope of directors' authorities should be documented</p>   | <ul style="list-style-type: none"> <li>• Directors' authorities are demonstrated in a scheme of delegation</li> </ul>   | <p>Scheme of delegation needs to be reviewed for each company.</p>   | <p>A</p>   | <p>Committee to ask for info. on the entity's scheme of delegation and the extent of authorities under it.</p> | <p>Shareholder Committee</p> |

| Evidence   | What should you be able to find?   | What evidence have you found?   | RAG Rating | Actions Recommended  | Responsible person/ body |
|--|--|---|------------|--|--------------------------|
| and clear to all parties   | <ul style="list-style-type: none"> <li>The scheme of delegation includes reference to matters that are reserved for board decision and cannot be delegated</li> </ul>  |   |            |  |                          |
| Company Board Composition  |  |   |            |  |                          |
| <p><b>E11</b> There should be evidence that the board has a diverse membership with the collective skills and attributes needed to lead the entity effectively</p> | <ul style="list-style-type: none"> <li>There are between five and ten directors on the board</li> <li>At least half of the directors are independent non-executives</li> <li>Appointments to the board are subject to a formal, rigorous, and transparent selection procedure based on merit and published objective criteria</li> </ul> | <p>Shareholder Committee has given express consideration to the number and nature of directors required, proportionately. Nomination and selection procedure agreed.</p> <p>An additional Director for Consilio has recently been agreed.</p> <p>Shareholder Committee decision taken with “Local Authority Company Review Guidance” in mind.</p> | G          | None   | Shareholder Committee    |
| <p><b>E12</b> There should be evidence that board membership is reviewed regularly for composition and fitness for purpose</p>                                     | <ul style="list-style-type: none"> <li>Board composition and individual director performance is reviewed periodically to evaluate board composition, the effectiveness of individual contribution, and how effectively board members</li> </ul>  | <p>Shareholder Committee has given express consideration to the number and nature of directors required, proportionately. Nomination and selection procedure agreed.</p>  | G          | <p>Shareholder Committee to check how board member performance is considered within each entity and to consider the best means of assessing such performance as Shareholder.</p> | Shareholder Committee    |

| Evidence  | What should you be able to find?   | What evidence have you found?  | RAG Rating | Actions Recommended  | Responsible person/ body                      |
|---|--|--|------------|--|---|
|   | work together to achieve the objectives of the entity  |  |            |  |   |
| <b>The board and risk management</b>  |  |  |            |  |   |
| <b>E13</b> There should be evidence that the board understands the organisation’s risk profile and the effectiveness of key controls and regularly review risks and risk appetite | <ul style="list-style-type: none"> <li>The board demonstrates ultimate responsibility for risk management within the entity and ensures that appropriate risk management arrangements that are in place</li> <li>The board regularly reviews risks and how they are being managed</li> <li>The board is aware of its appetite for risk and determines the risk profile for the entity</li> <li>The board’s approach to risk is proportionate and appropriate to its model</li> </ul> | <p>Risk registers now exist for each entity and these are subject to review by the Shareholder Committee.</p> <p>Unclear how regularly these are reviewed and the board’s approach to risk management.</p> | A          | Review the entities’ own means of assessing and managing risk as part of the internal audit review in Q3.  | Shareholder Committee, Chief Internal Auditor |
| <b>Board members’ skills and development</b>  |  |  |            |  |   |
| <b>E14</b> There should be documented evidence that the board regularly undertakes a skills audit to ensure   | <ul style="list-style-type: none"> <li>The board regularly undertakes skills audits</li> <li>The entity has a board which includes a range of skills and backgrounds including commercial, financial,</li> </ul>   | Consideration of the skills and experience of directors considered as part of their appointment.   | A          | Review the entities’ own means of assessing skills in practice as part of the internal audit review in Q3. | Shareholder Committee, Chief Internal Auditor |

| Evidence  | What should you be able to find?  | What evidence have you found?   | RAG Rating | Actions Recommended  | Responsible person/ body                      |
|---|---|---|------------|--|---|
| that it has an appropriate balance of skills and experience   | business development, technical, legal and HR experience  |   |            |  |   |
| <b>E15</b> There should be evidence of ongoing professional training provided to ensure that all board members are up to date in their understanding and supported in their roles | <ul style="list-style-type: none"> <li>Regular training and updates cover legal roles and responsibilities, company directors' roles and companies generally</li> <li>Directors' training included responsibilities under the Companies Act 2006, Insolvency Act 1986, Bribery Act 2010, Modern Slavery Act 2015, Data Protection Act 2018 and Health and Safety at Work etc. Act 1974</li> </ul> | Shareholder Committee ensure that all directors have undertaken training around the roles and responsibilities of bring a director as well as best practice for managing a company. | A          | Review extent to which entities identify, deliver, review and record training; and the scope of it as part of the internal audit review in Q3. | Shareholder Committee, Chief Internal Auditor |
| <b>The role of executive directors and non-executive directors</b>  |   |   |            |  |   |
| <b>E16</b> There is evidence that the role of executive directors is clearly defined and documented   | <ul style="list-style-type: none"> <li>Executive directors' roles are clearly defined and documented</li> <li>Directors' roles are focused on running the entity's business activities and implementing the board's plans and policies</li> </ul>   | Training covers the roles and business plans.   | G          | None   | Shareholder Committee                         |

| Evidence  | What should you be able to find?  | What evidence have you found?                 | RAG Rating | Actions Recommended | Responsible person/ body     |
|---|---|---|------------|---------------------|------------------------------|
| <p><b>E17</b> Non-executive directors are in place to bring an independent judgement to bear on issues of subject matter expertise, strategy, performance, resources including key appointments, and standards of conduct</p> | <p>Non-Executive directors:</p> <ul style="list-style-type: none"> <li>• Challenge, and contribute to the development of the company’s strategy</li> <li>• Scrutinise performance of management in meeting agreed goals and monitor reporting of performance</li> <li>• Satisfy themselves on the accuracy of financial information and that financial controls and risk management are robust and defensible</li> <li>• Determine executive directors’ remuneration and prime role in appointing/removing senior management</li> </ul> | <p>Not applicable for Council’s entities.</p> | <p>G</p>   | <p>None</p>         | <p>Shareholder Committee</p> |
| <p><b>E18</b> There is documented evidence that the board values the role of non-executive directors, and their views are</p>   | <p>The board values its non-executive directors, so that they are able to demonstrate:</p> <ul style="list-style-type: none"> <li>• Sound judgement and an enquiring mind</li> <li>• Knowledge of the business, its operating environment, and issues it faces</li> </ul>   | <p>Not applicable for Council’s entities.</p> | <p>G</p>   | <p>None</p>         | <p>Shareholder Committee</p> |



| Evidence  | What should you be able to find?   | What evidence have you found?                          | RAG Rating | Actions Recommended   | Responsible person/ body                             |
|---|--|--|------------|---|--|
| influential in the board’s decisions  | <ul style="list-style-type: none"> <li>Integrity, probity, and high ethical standards</li> <li>Objectivity as the basis for questioning and challenging accepted thinking of executives</li> <li>Strong interpersonal skills</li> </ul>  |  |            |   |  |
| <b>The role of the board chair</b>  |  |  |            |   |  |
| <p><b>E19</b> There is evidence that the chair provides clear board leadership, supporting directors and chief executive and taking account of shareholders views</p> | <p>The chair is primarily responsible for:</p> <ul style="list-style-type: none"> <li>The workings of the board</li> <li>Its balance of membership subject to board and shareholders’ approval</li> <li>Ensuring that all relevant issues are on the agenda</li> <li>Ensuring that all directors, executive and non-executive alike, are enabled and encouraged to play their full part in its activities</li> <li>The chair is able to stand sufficiently back from the day-to-day running of the business to ensure their</li> </ul> | <p>Training provided covers the role of the chair.</p> | <p>A</p>   | <p>Review role of the Chair of each Board as part of the internal audit review in Q3.</p> <p>Potentially, authorise a Shareholder Committee representative to observe a meeting(s) of each entity’s board to view the role in practice.</p> | <p>Shareholder Committee, Chief Internal Auditor</p> |

| Evidence  | What should you be able to find?   | What evidence have you found?   | RAG Rating | Actions Recommended | Responsible person/ body |
|---|--|---|------------|---------------------|--------------------------|
|   | <p>board is in full control of the company’s affairs</p> <p>The chair is responsible for:</p> <ul style="list-style-type: none"> <li>• Formulating the board’s strategy</li> <li>• Promoting the efficient and effective use of staff and other resources</li> <li>• Delivering high standards in terms of integrity and policy</li> </ul> |   |            |                     |                          |
| Financial Management  |  |   |            |                     |                          |
| <p><b>E20</b> There should be a fully documented and approved business plan that is consistent with and no more than 12 months older than the previous business plan. The changes within the updated business plan should accord with the trajectories that are apparent from</p> | <ul style="list-style-type: none"> <li>• The business plan and business planning process are critical parts of the governance culture and environment</li> </ul>   | <p>Performance of the entities is monitored through structured agenda items/reports/challenge sessions.</p> <p>This involves consideration of business plans.</p> | G          | None                | Shareholder Committee    |

| Evidence  | What should you be able to find?  | What evidence have you found?   | RAG Rating | Actions Recommended                           | Responsible person/ body |
|---|---|---|------------|---|--------------------------|
| monthly financial and non-financial performance reports   |   |   |            |   |                          |
| <b>E21</b> The financial transactions and values attributable to the company within the council’s medium term financial plan should agree with the projections in the business plan | <ul style="list-style-type: none"> <li>The business plan provides the basis for monitoring financial performance and feeds into the medium-term financial planning of the council in situations where it expects to receive dividends, loan repayments, capital receipts or provide financial support in terms of working capital or longer-term finance</li> </ul> | <p>Performance of the entities is monitored through structured agenda items/reports/challenge sessions.</p> <p>Loan repayments and dividend amounts expected to be received from AVE are built into the MTFP.</p> | G          | None  | Shareholder Committee    |
| <b>E22</b> Board reports should include clear presentation of the monthly income and expenditure position of the company as well as a cash flow statement and balance sheet         | <ul style="list-style-type: none"> <li>Board reports feature clear articulation of the current financial position of the company in terms of its, trading position (income and expenditure), liquidity (cash flow) and solvency (balance sheet)</li> </ul>  | This is undertaken for Consilio and possibly for the other entities.  | A          | Undertake occasional review of Board reports. | Shareholder Committee    |

| Evidence  | What should you be able to find?   | What evidence have you found?  | RAG Rating | Actions Recommended   | Responsible person/ body   |
|---|--|--|------------|---|--|
| <p><b>E23</b> There should be evidence of an annual audit letter from the council’s external auditors, confirming the degree of confidence they hold in respect of consolidation or treatment of financial instruments entered by the company</p> | <ul style="list-style-type: none"> <li>• The council’s external auditor has provided an annual audit letter annually</li> <li>• The annual audit letter confirms the degree of confidence they hold in respect of consolidation or treatment of financial instruments entered by the company</li> </ul>  | <p>Each entities own auditors provide an annual audit letter annually.</p> <p>Oversight and operation of council companies and the governance of them features in the External Auditor’s annual letter.</p> <p>Audit &amp; Governance Committee reviews External Audit letter in draft and final form.</p> | <p>G</p>   | <p>None</p>   | <p>Shareholder Committee, External Auditor, Audit &amp; Governance Committee</p> |
| <p><b>E24</b> Documented financial policies and procedures should be available</p>  | <ul style="list-style-type: none"> <li>• The company has an independent financial status from the council, including separate bank accounts and designated signatories</li> <li>• The financial transactions of the company are recorded on the company’s own, separate ledger system and the council is able to demonstrate how the results of the company are</li> </ul> | <p>To be reviewed as part of an internal audit of council entities.</p>  | <p>A</p>   | <p>Review the financial procedures of each entity as part of the internal audit review in Q3.</p> | <p>Shareholder Committee, Chief Internal Auditor</p>                             |

| Evidence  | What should you be able to find?  | What evidence have you found?                                    | RAG Rating | Actions Recommended  | Responsible person/ body |
|---|---|--|------------|--|--------------------------|
|   | consolidated into its own group accounts <ul style="list-style-type: none"> <li>• The company has a set of documented financial policies and procedures which describe areas such as borrowing and overdraft limits and levels which are reserved for council approval</li> </ul> |  |            |  |                          |
| <b>E25</b> There should be evidence of an effective annual internal audit programme | <ul style="list-style-type: none"> <li>• The company operates a system of internal controls that are consistent with financial policies and procedures</li> <li>• The company’s internal controls are subject to periodic testing by internal auditors</li> </ul>                 | To be reviewed as part of an internal audit of council entities. | A          | Review the extent and nature of the entity’s internal controls and operation as a separate entity (Q3) | Chief Internal Auditor   |

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BA Business Plan 2023/24

Member Director: John Chilver  
Operational Directors: Steve Bowles  
Lisa Michelson  
Richard Harrington

Background:

The principal purpose of BA is to move forward the Woodlands project through the framework of a promotion agreement with the Evett family representing the substantive land owners. The Woodlands project also includes a grant programme for the Eastern Link Road (ELR) and supporting development to which the Buckinghamshire Council (BC) is contractually committed to the Buckinghamshire LEP and DfT. It had been agreed historically that BA would secure the planning consent for Woodlands that would enable the Council to deliver the Eastern Link Road. Concerns from the landowner over minimum value and by the Council over the cost and nature of the ELR has resulted in a delay in commencement on site.

During the past year BA has worked closely with Taylor Wimpey, an adjoining site developer, on the matter of shared infrastructure and have agreed that they would lead on the submission and implementation of Woodlands phase 1A comprising means of access to the Woodlands site. It is anticipated that the Woodlands planning consent will be implemented in the coming financial year. It is further anticipated that a development lead for the Woodlands site will be appointed resulting in greater clarity over the form and procurement of the ELR and that a land deal will be completed with the Evett family.

Contractual commitments:

None though it is in the interest of BA to continue to promote the Woodlands site principally to secure the outcomes that guided investment in the first place ie improved infrastructure and an employment led major development area, and secondly to redeem its promotion costs.

There are however a number of third party agreement that will expire without action in the coming year relating to option agreements for land required for ELR and a lease agreement in respect of biodiversity mitigation land.

Past Year:

Secured planning consent April 2022.  
Cleared judicial review May 2022  
Reached agreement with Taylor Wimpey to submit Reserved matters application  
Option Agreements (Evett lawyer advice, Lear Agent request)  
Mitigation land Agreement  
Met with various interest development parties  
Awaited confirmation of future role of council.

Coming year:

- BA to secure a relevant planning permission by means of securing a reserved matters consent for Phase 1A.
- BA to invite Taylor Wimpey to implement Phase 1A to protect the Woodlands planning consent.
- BA to agree a disposal strategy with the Evett family following grant of a relevant planning permission, to include determining the role that Buckinghamshire Council may wish to undertake going forward and to appoint a development partner to lead the implementation of the Woodlands project.
- Once a development lead is agreed and appointed BA will meet to determine whether to continue or dissolve.
- In parallel with BA activity Buckinghamshire Council will determine the cost of the ELR, agree upon its future role in respect of Woodlands delivery including its contractual commitment for the delivery of the ELR and assist BA in finding the appropriate development partner.

Governance:

The company continues on an ad hoc basis. David Pearce commissioned advice from Freeths.

Finances:

BA has sufficient finances to meet likely revenue costs of the year ahead see appendix 1. Additional funds will be required to meet option and mitigation land lease costs though these are scheme costs and BA is not contractually committed to bare them.

Decisions:

List of issues to discuss with BC planners through John Reed.



## Buckinghamshire Shareholder Committee Forward Plan 2023/24

| <b>Date</b>     | <b>Topic</b>  | <b>Description &amp; Purpose</b>   | <b>Lead Officer</b>                       |
|-----------------|---|--|---|
| 21 June 2023    | Risk Registers for Buckinghamshire Advantage and Consilio                         | To review the risk registers of Bucks Advantage and Consilio and understand how risks are escalated and addressed.   | Directors of BA and Consilio respectively |
|                 | Consilio 23/24 Business Plan Update   | To consider the 2023/24 Business Plan, financial budget and progress to date, including current financial position.  | Consilio Directors                        |
|                 | Forward Plan  | To note and comment on the forward plan  | Leslie Ashton                             |
| 18 October 2023 | Best Practice Review - Governance   | To review best practice / learnings from other local authority companies.  | Richard Ambrose / Glenn Watson            |
|                 | Review of KPI's relating to each subsidiary body                                  | To review the key performance indicators relating to each subsidiary body.   | Directors of Each Subsidiary              |
|                 | Aylesbury Vale Estates update, Draft Financial Accounts 2022/23 and Risk Register | <ul style="list-style-type: none"> <li>- To consider progress to date, including their financial position (including outstanding loans)</li> <li>- To review the risk register and understand how risks are escalated and addressed.</li> <li>- To review the 2022/23 draft financial accounts of AVE</li> </ul> | Mark Preston                              |
|                 | Draft Financial Accounts for Buckinghamshire Advantage 2022/23                    | To review the 2022/23 financial accounts of Buckinghamshire Advantage  | Lisa Michelson / Richard Harrington       |

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|                 | Draft Financial Accounts for Consilio 2022/23 | To review the 2022/23 financial accounts of Consilio  | David Pearce   |
|                 | Forward Plan                                  | To note and comment on the forward plan   | Leslie Ashton  |
| 10 January 2024 | Internal audit report                         | To consider the internal audit report which covers governance arrangements of the subsidiary bodies, including controls and procedures. | Richard Ambrose / Dave Skinner                                 |
|                 | Review of Articles of Association             | To undertake a review of each subsidiary company's Articles of Association.   | Richard Ambrose / Glenn Watson<br>Directors of each subsidiary |
|                 | Annual Audit Letter                           | To consider the Annual Audit letter following the external audit of the financial accounts of each subsidiary body.                     | Richard Ambrose / Dave Skinner                                 |
|                 | Consilio Update paper                         | To consider an update on Consilio.  | Consilio Directors   |
|                 | Buckinghamshire Advantage update              | BA to attend to present their progress against business plan to date, including their financial position (including outstanding loans)  | Lisa Michelson / Richard Harrington                            |
|                 | Terms of Reference                            | To undertake a periodic review of the Terms of Reference to ensure that they remain fit for purpose.                                    | Glenn Watson / Leslie Ashton                                   |
|                 | Forward Plan                                  | To note and comment on the forward plan   | Leslie Ashton  |

|               |   |   |                                 |
|---------------|---|---|---------------------------------|
| 13 March 2024 | Annual Business Plan and Financial Budget for each subsidiary body.           | To review each respective subsidiary company's 2024/25 Business Plan and financial budget.                | Directors of Each Subsidiary    |
|               | Annual Shareholder Committee report 2023-24                                   | To comment on and review the 23/24 draft annual report prior to it being presented to Cabinet.            | Richard Ambrose / Leslie Ashton |
|               | Annual Review of the Director Appointments and Conflicts of Interest Guidance | To undertake an annual review to ensure arrangements remained fit for purpose.                            | Richard Ambrose / Glenn Watson  |
|               | 6-month review of Risk Registers (for each subsidiary)                        | To undertake a six-monthly review of risk registers and understand how risks are escalated and addressed. | Directors of Each Subsidiary    |
|               | Forward Plan  | To note and comment on the forward plan   | Leslie Ashton                   |

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