



Report to Buckinghamshire Shareholder Committee

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| Date: | 10 January 2024 |
| Title: | Terms of Reference – Annual Review |
| Cabinet Member(s): | Councillor John Chilver, Chairman of the Shareholder Committee |
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| Ward(s) affected: | None specific |
| Recommendations: | That the Committee review the current Terms of Reference (Appendix 1) and consider the suggested amendments (Appendix 2) |
| Reason for recommendation: | It is considered good practice to undertake a periodic review of the committee's terms of reference to ensure it remains fit for purpose and reflects any legislative or operational changes made in the previous year. |

1. Executive summary

- 1.1 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 by the Council. The Committee first met in July 2022, when it approved its terms of reference, agreeing that the document should be reviewed on an annual basis to ensure it remains fit for purpose.
- 1.2 As the committee has now been in operation for over a year, having met six times, it is a good point in time to reflect on the operation of the committee and undertake a review of the terms of reference.

2. The current terms of reference and proposed amendments

- 2.1 The committee has met six times since being established in March 2022 maintaining an oversight of key risks and governance issues. The terms of reference, overall, remain relevant and reflect the working practices of the committee. Best practice guidance, included within the *Local Authority Company Review Guidance* produced by Local Partnerships, notes that the terms of reference should document a clearly designated council shareholder role or function which is both understood and recognised by the council and the entity. It is considered that the current terms of reference reflect this.
- 2.2 The current terms of reference are included at **appendix 1**, a revised version with some minor suggested amendments is included at **appendix 2**.
- 2.3 The table below summarises the proposed changes along with the reasoning behind each proposal.

| Paragraph number | Current wording | Suggested wording | Reasoning |
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| 2.4 | Committee advisory officer may nominate an alternate officer to attend a meeting in their place. | Committee advisory officer may nominate an alternate officer to attend a meeting in their place provided that said officer is not a Board Member of any of the subsidiaries and thus does not have a conflict of interest. | For the avoidance of doubt, to ensure that where an alternate officer attends in place of a committee advisory officer that they are not a Board Member/Director of one of the entities nor have any other interest on which a conflict could arise. |
| 3.1.16 | New addition to the terms of reference. | In the case of a recommendation to wind up an existing subsidiary, the Committee will review the current business case for the subsidiary and undergo an effective comparison of alternative delivery | To ensure that where there is a recommendation to wind up an existing subsidiary, there is a clear process and decision-making path. Through discussions held by the committee in meetings to date, it |

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| | | models to achieve the optimum approach (including the option of transferring the assets and liabilities into the Council), consider the components to be delivered, outcomes sought and financial implications of the different options. An advisory paper will be submitted to Cabinet for a decision. | has been evident that there would be a requirement to review the current business case and undertake a review of alternative deliver models to achieve the optimum approach prior to any decision on winding up a subsidiary. Whilst the committee has delegated authority to wind up a subsidiary, due to the financial implications involved, an advisory paper to the Leader and Cabinet for formal approval is considered to be a suitable course. |
| 3.4.1 (table of delegations) | Winding up of Subsidiary | Winding up of Subsidiary (subject to 3.1.16 above and an advisory paper to Cabinet) | Additional wording to reflect the above proposal. |

3. Other options considered

- 3.1 The committee requires a terms of reference to provide committee members and key stakeholders a common understanding of the scope, objectives and delegations of the committee. The current terms of reference along with a version containing suggested changes are appended to this report. Additional amendments and suggestions are welcome from committee members at the meeting on 10 January 2024.

4. Legal and financial implications

- 4.1 The Council has shareholding interests and responsibilities in the Council's commercial entities. Cabinet has delegated this specific responsibility to the

Shareholder Committee so it is important that the terms of reference are clear, up to date, and fit for purpose.

- 4.2 There are no additional financial implications arising from the recommendations in the report. The suggested amendment in respect of the advisory paper to Cabinet in relation to winding up of a subsidiary, reflects the potentially significant financial implications that could arise in that instance and the importance that these implications are widely understood by Cabinet.

5. Next steps and review

- 5.1 As the recommended changes detailed at 2.3 of the report do not amend the mode or reach of the Committee's operation, the terms of reference will be updated dependant on the outcome of the Committee's discussion of this report. Should there be any significant changes recommended by the Committee, a revised terms of reference will be presented to Cabinet to consider, in line with paragraph 4.7 of the terms of reference.
- 5.2 Should the above amendments be agreed, these will be reported to Cabinet within the Annual Report of the Committee, which is due to be considered in March/April 2024.
- 5.3 The work programme, moving forward will continue to include an annual review of the terms of reference.

6. Background papers

- 6.1 [Shareholder Committee agendas and minutes](#)

7. Your questions and views

- 7.1 If you have any questions about the matters contained in this report, please contact the author of this report. If you have any views that you would like the cabinet member to consider, please inform the democratic services team. This can be done by email to democracy@buckinghamshire.gov.uk.

