



Report to Shareholder Committee

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

Recommendations: to note the annual review of the Articles of Association of each entity.

Reason for decision:

At the last meeting of the Committee, consideration was given to a best practice self-assessment on company governance. One aspect of the best practice is for the Committee to undertake an annual review of the Articles of Association of each entity. The purpose of this, as set out in the [Local Authority Company Review Guidance](#), is to verify that: “The entity’s articles of association [are] clear, up-to-date, and reflective of how the entity is run” (page 19). Articles of Association provide the overarching constitution for a company.

1. Background:

1.1 The *Local Authority Company Review Guidance (2021)* sets out the best practice guidance on local authority company governance. It notes that each local authority company/entity “should have articles of association, documenting its constitution and addressing purpose, conduct of meetings and appointment of directors” or ‘member’s agreement’ with the Council as shareholder making clear the respective roles.

1.2 The review has considered whether the documents, in each case, meet this requirement, having appropriate coverage for:

- a. The purpose of the entity
- b. The conduct of meetings

- c. The appointment of directors

2. Review of Articles of Association

2.1 The existing documents have been reviewed for the following:

- a. Aylesbury Vale Estates
- b. Buckinghamshire Advantage
- c. Consilio
- d. London Road Business Park Management Ltd

2.2 These vary in format and are reflective of the circumstances of their origin under the legacy councils.

2.3 The following table summarises each against whether the best practice criteria are reflected in them.

Entity	Purpose	Conduct of Meetings	Appointment of directors	Format
Aylesbury Vale Estates	Yes	Yes	Yes	Member's Agreement
Buckinghamshire Advantage	Currently being updated to reference the Woodlands project	Yes	Yes	Articles
Consilio	Not included	Yes	Yes	Articles
London Road Business Park Management Ltd	Not included	Yes	Yes	Articles

2.4 For all except Aylesbury Vale Estates, the purpose of the company could be more clearly articulated or updated. This would enable the Committee – and the Cabinet – to fulfil its periodic responsibility to verify that the purpose of the companies aligns with the Council's objectives. Similarly each can be updated explicitly to reflect that 'Buckinghamshire Council' has succeeded the legacy council as the local authority 'member' of the company.

2.5 In the case of Buckinghamshire Advantage, the Articles are already being reviewed specifically to bring them into line with the existing Members' Agreement. This will also lead to a clearer articulation of the objectives of the company. This work is already in hand. The changes to these Articles will be minor and do not affect the validity of the present annual review.

3. Next steps

3.1 The Principal Governance Officer will liaise with the Directors of each entity to identify with them the necessary changes to the Articles e.g. to reflect the purpose of the body and to bring the documents up to date. This will be undertaken during January and February with a view to bringing the revised set of Articles to the Shareholder Committee in March 2024 for approval. The review with the Directors will factor in any related outcomes arising from the current Internal Audit into company governance.

4. Legal and financial implications

4.1 The recommendations in this report contain no specific legal implications. Council has shareholding interests and responsibilities in the Council's commercial entities. Cabinet has delegated this specific responsibility to the Shareholder Committee. The discretion to apply the actions recommended in this report lies with the Committee.

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

Background papers

Links to existing Articles of Association/Members Agreements:

[Buckinghamshire Advantage – Companies House](#)

[Consilio Property Limited – Companies House](#)

[London Road Business Park Management Limited - Companies House](#)

[Aylesbury Vale Estates - ModernGov](#)