



Buckinghamshire Shareholder Committee minutes

Minutes of the meeting of the Buckinghamshire Shareholder Committee held on Wednesday 10 January 2024 in The Paralympic Room, Buckinghamshire Council, Gatehouse Road, Aylesbury HP19 8FF, commencing at 2.00 pm and concluding at 2.40 pm.

Members present

S Broadbent and P Strachan (Acting Chairman)

Apologies

J Chilver and A Cranmer

Agenda Item

1 Apologies for Absence

Apologies were received from Councillor J Chilver. In Councillor Chilver's absence Councillor P Strachan was elected Chairman for the meeting.

2 Declarations of Interest

There were no declarations of interest.

3 Minutes of the previous meeting

Resolved: That the minutes of the meeting held on 18 October 2023 were approved as an accurate record.

4 Best Practice Review (Governance) - Update

The Committee received a report on the Amber and Red rated actions as part of the Committee's action plan as detailed in Annex 1 of the report, this followed consideration of the best practice self-assessment on company governance at the previous meeting. Glenn Watson, Principal Governance Officer presented the report.

During discussion points raised included:

- Several actions referenced within the action plan were pending the outcome of the internal audit, a verbal update on which was noted under item 7. The final internal audit report would be considered at the Committee's next meeting in March 2024.
- It was noted that the Terms of Reference were reviewed annually and were considered under item 5 of this meeting's agenda.

- The Committee agreed that in line with best practice guidance, it was a sensible approach to establish the principle of Committee Members attending a meeting of each entity, to view areas such as depth of discussion, chairmanship, and quality of supporting papers. The Committee agreed that it would be beneficial to prioritise attendance at each entities AGM meetings. Further, it was agreed that there would be additional value in an officer attending meetings with Members.

Resolved:

1. That the update as regards the Amber and Red actions identified in the recent Best Practice Self-Assessment be noted.
2. To agree, in accordance with best practice, to nominate a representative of the Committee to observe at least one board meeting of each entity to view the culture and conduct of their meetings, with attendance at the AGM to be prioritised.

5 Terms of Reference – Annual Review

The Committee considered its annual review of the Committee’s Terms of Reference. It was considered good practice to undertake a periodic review of the terms of reference to ensure that they remained fit for purpose and reflected any legislative or operational changes made in the previous year. Glenn Watson, Principal Governance Officer, and Richard Ambrose, Service Director for Economic Growth and Regeneration presented the report.

During discussion the Committee noted that the Terms of Reference on the whole remained sound and fit for purpose, with the proposed amendments making clear what was effectively already happening in practice. It was recognised that winding up a company was a significant decision and as such it was deemed sensible to report it through the Leader and Cabinet.

Insolvency of an entity was discussed, and it was agreed that the Committee should be made aware of the exact timing of any potential insolvency at an early stage. It was suggested a specific line be added to the Terms of Reference to cover insolvency.

ACTION: R Ambrose / G Watson to include reference to company insolvency within the Terms of Reference.

Resolved: That the suggested amendments as reflected in Appendix 2 be agreed, subject to the addition above.

6 Articles of Association - Annual Review

The Committee considered its annual review of the Articles of Association of each entity. This annual review was undertaken as it was considered best practice, as set out in the Local Authority Company Review Guidance. The Guidance noted 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 ‘members agreement’ with the Council as shareholder making clear the

respective roles. The review considered whether the documents, in each case, met this requirement, having appropriate coverage for the purpose of the entity; the conduct of meetings; and the appointment of directors. Glenn Watson, Principal Governance Officer, presented the report.

During discussion, points raised included:

- For all except Aylesbury Vale Estates, the purpose of the company could be more clearly articulated or updated which would enable the Committee and the Cabinet to fulfil its periodic responsibility to verify that the purpose of the companies aligned with the Council's objectives. Similarly, each could be updated to reflect that 'Buckinghamshire Council' had succeeded the legacy council as the local authority 'member' of the company.
- The Committee noted that the Principal Governance Officer would liaise with the Directors of each entity to identify with them the necessary changes to the Articles. This would be undertaken during January and February 2024 with a view to bringing the revised set of Articles to the next meeting of the Committee for approval.
- The review with the Directors would also factor in any related outcomes arising from the Internal Audit into company governance.

Resolved: That the annual review of the Articles of Association of each entity be noted.

7 Internal Audit Report update

Richard Ambrose, Service Director for Economic Growth and Regeneration provided a verbal update on the recent internal audit into each of the local authority's companies/entities. The internal audit had concluded although there had been a slight delay in the production of the report itself. Key areas expected to be highlighted in the audit included:

- That whilst Consilio held a register of interests which was good and covered all relevant areas, AVE and BA did not.
- The issues with the Articles of Association / Members Agreements as noted under agenda item 6 were highlighted.
- There was a lack of a scheme of delegation within each entity, although Consilio did set out clear responsibilities. The Committee did however acknowledge that these were relatively small companies, particularly BA, and noted that the schemes of delegation needed to be proportionate and not overly bureaucratic.
- The business plans of BA and Consilio lacked a clear purpose and would benefit from being made clearer, an area the Committee had previously highlighted when reviewing the respective business plans. The Committee noted that it could test how clear each companies purpose was and what their responsibilities were when the upcoming 24/25 business plans were reviewed.
- There would likely be a recommendation to look at Director appointments

and associated processes. The area of appointing a third Director to Consilio was noted, although as the Committee was aware this was presently on hold.

- It was not evidenced how Director skills and performance were monitored on an ongoing basis, either within the entities themselves or how the Committee sought assurance.
- Meetings and decisions were well documented and there was thorough scrutiny, with the audit identifying the good work that the Committee had undertaken.
- There would be an opportunity for management responses to be provided to the audit findings and the final report would be shared at the March meeting of the Committee.

Resolved: that the update be noted.

8 Forward Plan

It was noted that March's agenda looked particularly busy, it was suggested to extend the meeting length to three hours and to defer the Annual Review of the Director Appointments and Conflicts of Interest Guidance along with the six-month review of Risk Registers to the June meeting to assist with the overall yearly cycle by spreading the items across meetings more equally.

Resolved: that the forward plan be noted.

9 Date of Next Meeting

13 March 2024 at 2 p.m.

10 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.

11 Confidential minutes of the previous meeting

Resolved: that the confidential minutes of the previous meeting held on 18 October 2023 be confirmed as an accurate record and updates on the actions be noted.

12 Annual Audit Letters

Resolved: That the respective Annual Audit Letters for Aylesbury Vale Estates and Buckinghamshire Advantage be noted.