



Report to Buckinghamshire Shareholder Committee

Date:	13 March 2024
Title:	Draft Buckinghamshire Shareholder Committee Annual Report 2023-24
Cabinet Member(s):	John Chilver, Chairman of the Buckinghamshire Shareholder Committee
Contact officer:	Richard Ambrose – Richard.ambrose@buckinghamshire.gov.uk
Ward(s) affected:	Not ward specific
Recommendations:	The Committee is invited to comment on the 2023-24 Draft Annual Report of the Buckinghamshire Shareholder Committee ahead of it being submitted to Cabinet for its meeting on 7 May 2024.
Reason for recommendation:	As a sub-committee of Cabinet, it is considered good practice for the Shareholder Committee to report annually to Cabinet on the work it has undertaken over the previous municipal year.

1. Executive summary

- 1.1 The role of the Committee is to ensure that the Council's companies and limited liability partnerships act in the interests of the Council as shareholder and that best practice is being adhered to in delivering statutory arrangements. In doing so, the Committee contributes to the proper governance of the Council's subsidiaries. This added level of governance continues to be vitally important in the context of the financial challenges many local authorities and local authority companies have faced over recent years and continue to face. Understanding the risks and performance associated with wholly or jointly owned companies is a key task of the Committee.

- 1.2 This is the second year of operation of the Shareholder Committee and producing an annual report to reflect the work and outcomes achieved by the Committee throughout 2023-24 is considered good practice.
- 1.3 It should be noted that Members of the Shareholder Committee are not directors, and do not have any direct involvement, in any of the subsidiary bodies.

2. Shareholder Committee – Background and Annual Report 2023/24

- 2.1 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 or controlled by the Council (including where such control comes about indirectly, such as via a loan agreement). Buckinghamshire Council has a number of mainly property based subsidiary companies and limited liability partnerships in place which were inherited from legacy Councils.
- 2.2 The Committee has met four times during the 2023-24 period. The Committee has focused on and undertaken a number of key pieces of work. This includes reviewing business plans and the financial positions of each company/joint venture as well as reviewing best practice regularly at each meeting and undertaking annual reviews of company articles of association and the Committee Terms of Reference.
- 2.3 During the year the Committee has recommended the creation of a pool of trained potential future directors of companies, all of whom have attended training with an external provider. The Committee has also agreed the scope and considered findings of an internal audit as well as strengthening risk management arrangements of the companies.
- 2.4 In addition to maintaining an oversight of key risks and governance issues, the Committee's priorities for 2024-25 include a focus on the future of the companies, particularly Buckinghamshire Advantage and Consilio Property Limited, to assess the benefits the companies bring to the Council and whether there are additional financial savings which could be achieved. The Committee will also continuously review best practice / learning from other local authority companies and review progress against its action plan which takes in to account the findings from the internal audit undertaken.
- 2.5 The 2023-24 Annual report is attached at Appendix 1.

3. Other options considered

- 3.1 Not applicable

4. Legal and financial implications

- 4.1 None specific, although understanding the financial position of each company has been a key part of the Committee's focus. Any decision around the winding up of any of the entities would have significant financial implications and legal issues to consider. These would be fully considered and reported to Cabinet in any such instance. The Committee has followed best practice guidance throughout the year.

5. Corporate implications

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

6. Communication, engagement & further consultation

- 6.1 The annual report is presented to the Shareholder Committee in its draft form for Members to comment on and make suggestions for improvements. Comments and feedback from the Shareholder Committee will then be incorporated into the final version of the annual report which will be presented to Cabinet on 7 May 2024.
- 6.2 Dependant on the outcome of the discussion of other agenda items scheduled for the Committee meeting on 13 March 2024, the Committee may wish to suggest further inclusions in to the annual report.

7. Next steps and review

- 7.1 The final version of the annual report will be presented to Cabinet on 7 May 2024.
- 7.2 The Forward Plan of work for 2024-25 is currently being formalised, this work will include, amongst other things, the future aims and purposes of each entity, the six-monthly review of company risk registers, receiving 2023-24 financial statements, developing measures to help assess the performance and financial standing of the entities, regularly reviewing best practice and reviewing 2025-26 Business Plans. The Committee has a minimum of four meetings planned for the ensuing Municipal Year and will produce a further Annual Report for Cabinet in May 2025, escalating anything as appropriate in the meantime.

8. Background papers

[Buckinghamshire Shareholder Committee Papers](#)