



# Report to Buckinghamshire Shareholder Committee

<b>Date:</b>	16 October 2024
<b>Title:</b>	<b>Director appointments to Consilio Property Limited and Buckinghamshire Advantage</b>
<b>Cabinet Member(s):</b>	Councillor John Chilver
<b>Contact officer:</b>	Richard Ambrose / Glenn Watson <a href="mailto:Richard.ambrose@buckinghamshire.gov.uk">Richard.ambrose@buckinghamshire.gov.uk</a> / <a href="mailto:Glenn.watson@buckinghamshire.gov.uk">Glenn.watson@buckinghamshire.gov.uk</a>
<b>Ward(s) affected:</b>	None specific
<b>Recommendations:</b>	<b>1. To note and ratify the appointment of Ian Barham to Consilio Property Limited.</b> <b>2. To note and ratify the appointment of Councillor Jonathan Waters to Buckinghamshire Advantage.</b>
<b>Reason for decision:</b>	<p>One of the previous Directors of Consilio resigned in June 2024, leaving the company with a sole Director, as such the appointment of a new Director was a matter of urgency for the day-to-day operations of the company.</p> <p>Separately, the Leader has sought to amend the Member appointment to Buckinghamshire Advantage. As such this report seeks to update members and ratify that appointment.</p>

## 1. Executive summary

- 1.1 Appointing Directors with the relevant skillset adds resilience and a layer of governance and good management to the companies.
- 1.2 Consilio Property Limited (Consilio) is wholly owned by Buckinghamshire Council. It is an arm's length local authority company, founded in September 2017 by the legacy South Bucks District Council. Following the resignation of Nigel Dicker in June 2024, it left the sole Director as David Pearce.

- 1.3 At its meeting on 12<sup>th</sup> June 2024, the Shareholder Committee agreed to delegate authority to the Service Director for Major Projects in consultation with the Chairman, to appoint a new Director of Consilio. This had been a matter of urgency as the company Memorandum of Association states *“the number of directors shall be no more than five but not less than two.”*
- 1.4 The Shareholder Committee is asked to note and ratify the appointment of Ian Baham as an additional Company Director. Mr Barham is currently the Head of Economic Partnerships for Buckinghamshire Council.
- 1.5 The Chairman was consulted with and has agreed this appointment. It was confirmed on 2<sup>nd</sup> July 2024.
- 1.6 Buckinghamshire Advantage is wholly owned by Buckinghamshire Council, established by the legacy Buckinghamshire County Council in 2013. The company articles of association state *“unless otherwise determined by Member approval the number of Directors shall not be less than six and not more than 12”*. This was due to Buckinghamshire Advantage previously being owned by 5 legacy authorities and Buckinghamshire Business First. In line with the recommendations of the recent internal audit into companies’ governance, the articles are in the process of being updated.
- 1.7 In May 2024, the Leader of the Council sought to amend the Member appointment to Buckinghamshire Advantage from Councillor Steve Bowles to Councillor John Chilver. Due to Councillor Chilver’s role as Chairman of the Shareholder Committee this would have created a conflict of interest, so the Leader appointed Councillor Jonathan Waters. The Leader has the authority to take this decision as a ‘Leader Decision’. This report is for the Committee to note and ratify that appointment.

## **2. Content of report**

- 2.1 Cabinet has delegated authority to the Shareholder Committee to make a range of decisions on behalf of the Council for Consilio. These are set out in the Committee’s Terms of Reference and includes the approval of key appointments (including appointment, removal and or replacement of Directors) as set out under point 3.4.1: *“Oversight of any decisions that can only be made by the shareholder (whether as “reserved matters” under the Memorandum of Agreement and Articles of Association or pursuant to the relevant legislation applicable to that subsidiary)”*
- 2.2 As noted earlier in this report, on these occasions, the decisions had been made under separate delegated powers, however, are being reported to the Committee for transparency and as a matter of good practice for the appointments to be formally ratified.

- 2.3 It is critical that the company has professional directors who have the appropriate balance of skills and experience required to proactively progress the aims of the company / joint venture. Councillor Jonathan Waters and Ian Barham meet these requirements.
- 2.4 Neither Councillor Jonathan Waters or Ian Barham have any direct or obvious conflict of interest in terms of their respective roles of elected member and council officer.
- 2.5 At its meeting on 28 March 2023, the Shareholder Committee agreed the following principles for appointing Directors to Subsidiary Bodies.

*When looking at the suitability of someone to be appointed as a director of a company then there are some principles that should be considered. These include: -*

- a) Ensuring that there are complementary skills across the directors that are relevant to the companies aims and purpose (e.g. not having all finance professionals as the directors of the company);*
- b) Ensuring that there are no obvious and direct conflicts with the persons council role (e.g. for Consilio not appointing a Cabinet Member who has responsibility for Housing or the Service Director for Housing);*
- c) Having a mix of elected Members and Senior Officers (Service Director or Head of Service) as directors within each company. We should only have non council directors in exceptional circumstances;*
- d) Ensuring that there is a good understanding of the role and responsibilities of a company and specifically the directors;*
- e) Identifying staff development opportunities for aspiring leaders in order to help them grow and develop; and appointments normally to be unremunerated accordingly;*
- f) Training to be undertaken.*

In relation to *point c* above, once the future direction of Consilio has been agreed then consideration of appointing a third Director will be undertaken. This could be an elected member as it is the only entity that does not currently have an elected member.

- 2.6 These appointments take account of the above principles and ensure there is good governance and appropriate skillsets to drive these council owned companies forward.
- 2.7 The primary duty of a director is to the interests of the company and not those of the Council. The Committee will continue to oversee the process for making and

revoking appointments and has developed *Conflicts of Interest Guidance* to frame the making of appointments and to assist directors, so as to avoid conflicts.

### **3. Other options considered**

- 3.1 Consilio must have at least two Directors to operate so there was not an alternative option.
- 3.2 The Leader of the Council or this Committee could have appointed a different elected member to Buckinghamshire Advantage, provided that there was no conflict of interest.
- 3.3 The skillset of the Directors has been assessed and suitable appointments have been made.

### **4. Legal and financial implications**

- 4.1 None, although ensuring that there is good governance of Council owned subsidiaries is a key focus for the Committee as is ensuring Directors possess the right skills and experience to take forward the aims of the company. Best practice advice in the Local Authorities Companies Review Guidance led by Max Caller, Strategic Adviser and Lead Inspector for HM Government notes that Board appointments should be approved by the shareholder.

### **5. Corporate implications**

- 5.1 None. The Shareholder Committee will maintain oversight of the performance of the companies: this includes reviewing the annual business plans and the entities aims, objectives and risks; it also includes a right of observer attendance at board meetings. Having a mix of elected Members and Senior Officers as Directors is good practice and creates a greater skillset to progress the company's future direction and business plans. For Consilio, an elected member appointment is on hold until the future direction of the company is clearer.

Once the future direction of Consilio has been agreed then consideration of appointing a third director will be undertaken. This could be an elected member as it is the only entity that does not currently have an elected member.

### **6. Local councillors & community boards consultation & views**

- 6.1 The Chairman of the Shareholder Committee has been consulted on the appointments which have been taken under the delegated powers noted in this report.

## **7. Communication, engagement & further consultation**

7.1 Not Applicable

## **8. Next steps and review**

8.1 Councillor Jonathan Waters is now a company Director of Buckinghamshire Advantage, and Ian Barham is now a company Director of Consilio and the appropriate training has been arranged for them to undertake. Councillor Waters and Ian Barham will be invited to future Shareholder Committee meetings to present and take questions on items relevant to each company, along with the other company Directors.

## **9. Background papers**

[Shareholder Committee Terms of Reference](#)

[Conflict of Interests Guidance](#)

