

APPOINTMENT OF INDEPENDENT DIRECTOR(S) TO COUNCIL COMPANIES

Executive Summary

This report deals with the appointment of an Independent Director to a number of Council companies to provide strategic oversight, skills and knowledge advantageous to the Board.

Recommendations

The Council is requested to:

RESOLVE That Terry Price be appointed as Independent Director of the following Companies:

- Thameswey Maintenance Services Limited; and
- Energy Centre for Sustainable Communities Limited

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The Council has the authority to determine the recommendation set out above.

Background Papers: None.

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1.0 Introduction

- 1.1 Barry Maunders has held the position of Director on the Board of various Thameswey Group companies since July 2007 and also Chaired a number of the group Boards including Thameswey Limited. As an independent person he was appointed to bring oversight, experience and skills which were advantageous and appropriate to the Boards which he chaired.
- 1.2 Barry Maunders resigned his Board positions at Thameswey and Brookwood at the end of the year due to the significantly increased responsibility at his Livery Company reducing the time he had available to perform his Board duties. Firstly, the Council would like to thank Barry for his service over the years and wish him the best in his future endeavours.
- 1.3 This report deals with the appointment of Independent Directors to the vacancies now on the Boards.

2.0 Directorships

- 2.1 Barry Maunders has resigned from the following Boards.
 - Thameswey Guest Houses Limited
 - Energy Centre for Sustainable Communities Limited
 - Thameswey Housing Limited
 - Brookwood Park Limited
 - Brookwood Cemetery Limited
 - Woking Necropolis and Mausoleum Limited
 - Thameswey Sustainable Communities Limited
 - Thameswey Solar Limited
 - Thameswey Maintenance Services Limited
 - Thameswey Central Milton Keynes Limited
 - Thameswey Energy Limited
 - Thameswey Limited
- 2.2 His resignation has been lodged at Companies House and the Council now has vacancies on the Boards of its Companies.

3.0 Appointment of Independent Non-Executive Directors

- 3.1 Following Barry Maunders' resignation, the Council does not have any independent representation on the Boards of Thameswey Maintenance Services Limited (which although dormant is still a current legal entity and is not expected to be closed until the end of 2022) and Energy Centre for Sustainable Communities Limited.
- 3.2 Council is requested to resolve that Terry Price be appointed as Independent Non-Executive Director of the following Companies:
 - Thameswey Maintenance Services Limited
 - Energy Centre For Sustainable Communities Limited
- 3.3 This is an interim measure whilst the Council undertakes a review of the governance of the Council's companies and looks at a strategy to recruit further Independent Directors to provide

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expertise and specialist skills to the Boards. This ensures that all Thamesway Boards have at least one Independent Director appointed to them.

4.0 Thamesway Group Protocols

4.1 The Thamesway Group Protocols have been introduced to ensure good governance of the Thamesway Group Companies. The protocols stipulate the proportions and composition of the Boards. A copy of the protocols can be found at page 281 of the Council's constitution.

4.2 The Thamesway Group Protocols states:-

"To ensure that power and information are not concentrated in one or two individuals, there should be a strong presence on all boards of Independent, Councillor and officer Directors. Accordingly Group Company Boards should seek to achieve the following proportions, 1 Independent Director, 1 Councillor Director and 2 Officer Directors but in any case Officer Directors must not be the majority."

4.3 The Thamesway Group Protocols confirm the composition of the Boards as follows:-

"Composition of the Boards

The respective Company boards should comprise of the following Directors and be reviewed annually by the Council: -

Thamesway Limited (Group Holding Company)

Councillor Directors

The Leader of the Council, or his/her nominee, who must be a Member of the Council's Executive

Council Directors appointed to the Board of any subsidiary

Independent Directors

Independent Directors recruited by the Council

Officer Directors

The Chief Executive of the Council

Officer Directors appointed to the Board of any subsidiary

Subsidiary Companies within the Thamesway Group

Councillor Directors

The Leader of the Council, or his/her nominee, who must be a Member of the Council's Executive

The Member of the Council holding the Portfolio for the relevant area of the Council's business

Any other Member of the Council

Independent Directors

Up to two Independent Directors

Officer Directors

Up to two Officer Directors"

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5.0 Review of Thamesway Protocols and Governance of the Council's Companies.

- 5.1 A review into the current governance arrangements and protocols in place has been initiated.
- 5.2 It is recognised that, whilst appreciating procedures must operate in a way that protects the company's commercial interests, those procedures should ensure that the Council can carry out its functions as an investor, as a trustee of public funds and a local authority committed to both due responsibility for the exercise of its functions and for providing a vision for the Borough. New national good practice guidance on Council Company governance has also been released by both the LLG and Local Partnerships which should be reflected in the review.
- 5.3 Accordingly, governance arrangements shall ensure that:
- the executive can make investment decisions based upon complete and accurate consideration of business cases and business plans;
 - the executive can evaluate social and financial benefits and returns on investment; and
 - the Council's overview and scrutiny committees are able to exercise their powers in relation to the executive's decision making
- in a manner that ensures the companies can provide full and frank financial and business reporting against their business plans and be open to an appropriate level of scrutiny without fear of commercial confidentiality being breached.
- 5.4 The review shall link the Council's emerging Corporate Strategy and the Group Business Plans for 2023. A report on governance arrangements shall be brought before Full Council.

6.0 Corporate Strategy

- 6.1 The Council's group companies undertake important functions for the Council, consistent with its Corporate Plan and emerging Corporate Strategy.

7.0 Implications

Finance and Risk

- 6.2 None.

Equalities and Human Resources

- 6.3 None.

Legal

- 7.3 The appointments accord with the Thamesway Group Company Protocols and ensure that there is sufficient expertise and oversight on the Boards of the various Council companies.

7.0 Engagement and Consultation

- 7.1 None.

REPORT ENDS