

**SHAREHOLDER COMMITTEE**  
**17 DECEMBER 2024**

**CHANGES TO THE ARTICLES OF ASSOCIATION AND BOARD  
DIRECTOR APPOINTMENTS**

**Report by Director of Economy and Place**

**RECOMMENDATION**

1. **The Shareholder Committee is RECOMMENDED to**
  - a) Approve and sign the attached written resolutions attached at Annex A dealing with amendments to the Articles of Association and resignation and appointments of Directors
  - b) Having acknowledged and received the resignations of the current Directors to formally thank them for their service

**Executive Summary**

2. Following the transfer of local enterprise partnership functions to the council on 1 April 2024, the council became the controlling member of the Oxfordshire Local Enterprise Partnership (OxLEP). At its meeting on 19 November the Cabinet established the Shareholder Committee to act as the sole member of the OxLEP company, providing strategic oversight and taking those decisions which are reserved to the sole member of the company by the Articles of Association.
3. To give effect to the Cabinet's decisions there is a need to change the OxLEP Articles of Association and to appoint new company directors. This report sets out the resolutions needed to bring these changes about.

**Background**

4. In November 2024 Cabinet agreed to introduce new governance arrangements following the transfer of local enterprise partnership functions to the council on 1 April 2024. These changes include the establishment of the Shareholder Committee as a Committee of Cabinet to take decisions on any matters that are reserved to the Council as member in the company's Articles of Association and to receive annual and periodic reports for the company.
5. This report sets out the changes to be made regarding the Articles of Association and appointment of Directors to the company board.

## **Changes to the Articles of Association**

6. The council agreed at the cabinet meeting on 19 November 2024 that changes to the Articles of Association were needed. The resolution for the adoption of the revised Articles of Association is attached at Annex A.

## **Board Appointments**

7. The council agreed at the cabinet meeting on 19 November that the new company board will be a board of three non-executive directors appointed by the Shareholder Committee. This will include cabinet member and senior officer directors from the council alongside an external independent non-executive director who will also chair the company board. In the first instance an interim independent chair will be appointed for a fixed term period of nine months. This will allow for an open recruitment process at the end of that term. The directorships will not be remunerated. These appointments are set out in Annex A. It is understood that the existing directors of OxLEP will have resigned from the company board as outlined in Annex A ahead of the first meeting of the Shareholder Committee.
8. Those officers or members who may be nominated as directors of the revised company will have a primary fiduciary duty to the company and will need to vote in its best interests and manage its affairs in accordance with what is in the best interest of the revised company. That raises a potential risk of conflicts of interest in connection with their separate responsibilities to the Council. However, as the main object of the company as set out in the articles of association is to bring about sustainable economic development of the county through the implementation of a strategic economic plan that will be agreed by the Council, these risks of conflict are minimised. The Articles of Association set out how director conflicts of interests will be managed and how conflicts may be authorised (if appropriate).
9. Acting as a director can give rise to personal liability, and it is recommended that the Council should offer indemnities to members or officers serving as company directors, to prevent members or officers from being deterred from taking up a position on the board. This is in line with the Local Authorities (Indemnities for Members and Officers) Order 2004 that allows for local authorities to indemnify members and officers for their personal liability attached to their role as company director. Board member training will also be provided.

## **Corporate Policies and Priorities**

10. LEP transition aligns with the vision set out in the council's strategic plan 2023 – 2025 to lead positive change by working in partnership to make Oxfordshire a greener, fairer and healthier county. It also supports the priorities of:
  - Putting action to address the climate emergency at the heart of our work
  - Tackling inequalities in Oxfordshire
  - Investing in an inclusive, integrated and sustainable transport network

- Working with local businesses and partners for environmental, economic and social benefit

## Financial Implications

11. There are no financial implications from this report.

Comments checked by:

Rob Finlayson, Strategic Finance Business Partner,  
[rob.finlayson@oxfordshire.gov.uk](mailto:rob.finlayson@oxfordshire.gov.uk)

## Legal Implications

12. The need to issue an indemnity for cabinet member and senior officer directors has been explored and discussions are ongoing with the Council's Insurers to make these arrangements.
13. The company operates as a company limited by guarantee. This limits the liability of each Member to £1, being the amount that each Member undertakes to contribute to the assets of the Company in the event of its being wound up while they are a Member or within one year after they cease to be a Member.
14. The Council has received external legal assistance with the drafting of the company resolutions to ensure that these meet legal requirements set out in the Companies Act 2006, and these resolutions will need to be filed with Companies House. The resolutions will formally and legally change the Articles of Association and the identity and number of Directors of the company.

Comments checked by:

Paul Grant, Head of Legal and Deputy Monitoring Officer  
[paul.grant@oxfordshire.gov.uk](mailto:paul.grant@oxfordshire.gov.uk) (Legal)

## Staff Implications

15. The Officers' Code of Conduct is currently being updated. This will include an updated conflicts of interest section to address the situation where an officer acts within a function as a company director.

Comments checked by:

Caroline Bing, HR Business Partner, [Caroline.Bing@Oxfordshire.gov.uk](mailto:Caroline.Bing@Oxfordshire.gov.uk)

## **Equality & Inclusion Implications**

16. A full Equality Impact Assessment was undertaken as part of the transition project this highlighted that equalities will be considered when reviewing board membership.

### **ROBIN ROGERS**

Director of Economy and Place

Annex:           Annex A – Written Resolutions  
                  Annex B – Revised Articles

Background papers:        Nil

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December 2024