

Transport and Environment Committee

10.00am, Thursday, 28 January 2021

Transport Arm's-Length External Organisations: Lothian Buses Company Board Appointment

Executive/routine	Routine
Wards	All
Council Commitments	

1. Recommendations

- 1.1 Transport and Environment Committee is asked to:
 - 1.1.1 note that the appointment of Directors to the Board of Lothian Buses Limited (LB) are Reserved Matters, which require the written consent of the Council; and
 - 1.1.2 approve the appointment of John Benson, Finance Director, as an Executive Director.

Paul Lawrence

Executive Director of Place

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2. Executive Summary

- 2.1 This report requests approval for a Board appointment for Lothian Buses Limited (LB).

3. Background

- 3.1 LB is an Arm's-Length External Organisation (ALEO) which is 91% owned by Transport for Edinburgh Ltd (TfE). TfE, in turn, is 100% owned by the Council. The remainder of shares in LB (approximately 9%) are owned by East Lothian Council, West Lothian Council and Midlothian Council).
- 3.2 Under the provisions of the Majority Shareholder Agreement (MSA) LB undertakes that it shall ensure that, save with the prior written consent of the Council, it shall not affect or propose certain Reserved Matters. Reserved Matters require the prior written consent of the Council and include the appointment or removal of a Director and making any change to the remuneration paid to the Chief Executive and/or any Executive Directors of LB.
- 3.3 On 2 November 2020, a request from LB was received by the Executive Director of Place, for the Council to give due consideration to the appointment of a new Executive Director following the retirement of the previous incumbent.
- 3.4 The LB Board has resolved the appointment and have now submitted this to the Council for ratification.

4. Main report

- 4.1 The 1985 Transport Act requires the Council and the Company to have three Executive Directors appointed to the Board. As a result of Engineering Director Jim Armstrong's recent decision to retire, only two Executive Directors remain – Nigel Serafini and Sarah Boyd (Operations Director).

- 4.2 The LB Board, following Majority Shareholder Agreement Clause 8.5 Consent requirements therefore request that the Council approve the appointment of John Benson, Finance Director, as an Executive Director on the Board. There will be no change to the remuneration for John Benson as a result of this appointment.

5. Next Steps

- 5.1 Subject to the approval of Council, the Council will confirm in writing to TfE and LB its decision in terms of this report as soon as reasonably practicable.

6. Financial impact

- 6.1 There are no financial impacts for the Council arising from the Board and auditor appointments.

7. Stakeholder/Community Impact

- 7.1 The Board of LB have already agreed to the proposed appointment.

8. Background reading/external references

- 8.1 Appointments to the Boards of LB and ET – [11 June 2020](#)

9. Appendices

- 9.1 None.