

READING BOROUGH COUNCIL

REPORT BY DEPUTY CHIEF EXECUTIVE

<b>TO:</b>	POLICY COMMITTEE		
<b>DATE:</b>	13 DECEMBER 2021		
<b>TITLE:</b>	APPOINTMENT OF DIRECTORS TO READING TRANSPORT LTD		
<b>LEAD COUNCILLOR:</b>	CLLR JASON BROCK	<b>PORTFOLIO:</b>	LEADERSHIP
<b>SERVICE:</b>	CLLR TONY PAGE		TRANSPORT
	SHAREHOLDER OF	<b>WARDS:</b>	BOROUGHWIDE
	RTL		
<b>LEAD OFFICER:</b>	MICHAEL GRAHAM	<b>TEL:</b>	
<b>JOB TITLE:</b>	ASSISTANT DIRECTOR	<b>E-MAIL:</b>	michael.graham@reading.gov.uk
	LEGAL & DEMOCRATIC		
	SERVICES		

**1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1 This report outlines the outcomes of the interview panels for the new Board members to be appointed to Reading Transport Ltd and makes recommendations for the Policy Committee in its capacity as shareholder.
- 1.2 A number of new appointments to the Board are recommended. A short biography of each candidate is included in the Annex.

**2. RECOMMENDED ACTION**

Policy Committee is asked, in its capacity as shareholder for Reading Transport Ltd:

- 2.1 To appoint Peter Milhofer as Non-Executive Director and Chair of the Board for a period of 4 years starting on 1 January 2022.
- 2.2 To appoint Ian Feast, Robert Pinkett, Pam Turton and Gursharn Uppal as Non-Executive Directors to the Board for a period of 4 years starting on 1 January 2022.
- 2.3 To note the continued service of Patricia Thomas and Cllr Stanford-Beale until the expiry of their appointments in 2023 and 2022 respectively.
- 2.4 To thank the outgoing Directors of the Board for their dedicated service to the Company over many years and note their many achievements: David Sutton (Chair), Francis Connolly, Chris Gavin, Keith Moffatt and Cllr Rose Williams.
- 2.5 To delegate the Assistant Director of Legal and Democratic Services to take any further consequential actions and issue any such notices on behalf of the Council as Shareholder under the Articles of Association as he thinks necessary to give effect to the Board changes outlined in this report.

### 3. POLICY CONTEXT

- 3.1 The Council's new Corporate Plan (2021) has established three themes for the year 2021/22. These themes are:
- Healthy Environment
  - Thriving Communities
  - Inclusive Economy
- 3.2 These themes are underpinned by "Our Foundations" explaining the ways we work at the Council:
- People first
  - Digital transformation
  - Building self-reliance
  - Getting best value
  - Collaborating with others
- 3.3 Full details of the Council's Corporate Plan and the projects which will deliver these priorities are published on the [Council's website](#). These priorities and the Corporate Plan demonstrate how the Council meets its legal obligation to be efficient, effective and economical.

### BACKGROUND

- 3.4 Since 1986, the Council has run a very successful municipal bus company. Reading Transport Ltd is an intrinsic part of Reading life. Its brightly coloured buses are visible across the town and the Thames Valley region. The Company has won many awards for quality and innovation. It is one of a handful of bus companies in the UK that remains wholly owned by a local council.
- 3.5 The bus company has a significant role in securing the economic success and improved environment of Reading and is therefore a key contributor to the Council's corporate priorities.
- 3.6 Having completed a governance review earlier this year and given the changing economic environment, particularly as a result of the pandemic, the Company is setting out on a new path to ensure future viability and sustainability. The Policy Committee received reports about these matters in June 2021.
- 3.7 The Council needs to ensure that the Company has a sound financial future, is at the forefront of the move to zero carbon and promotes the growth of public transport in Reading. Prior to the pandemic, Reading had the second highest bus patronage outside of London. Since the pandemic, bus patronage has fallen. The Company has been reliant on government grants to break even during the pandemic given the loss of passenger fare revenue. Current passenger numbers are approximately 70% of pre-pandemic levels.
- 3.8 Whilst the Council recognises that Reading Transport Limited has a great track record, it also recognises that the Council and the Company need the skills and drive from a Board of Directors which is focused on future sustainability and innovation. The Company must deliver a comprehensive public transport future which is affordable and available for residents, visitors and businesses as part of our economy as it recovers from the pandemic. The Company must remain a going concern. Addressing all of these issues is a considerable challenge.

## **4. THE PROPOSAL**

- 4.1 In June 2021, Policy Committee received a report in relation to changes to Governance of the Company and agreed to the recruitment of a new board of Non-Executive Directors (NEDs) to take effect from 1st January 2022 with Shareholder representatives to sit on the interview panel.
- 4.2 Subsequently in Autumn of 2021 a procurement was undertaken to seek recruitment consultants to advise and promote this opportunity to the widest group of qualified candidates possible. Campbell Tickell were appointed to assist the Council, working alongside the Council's HR team to specify the requirements for the Non-Executive Directors and Chair.
- 4.3 A national campaign was conducted with over 70 applicants expressing an interest in the roles. Campbell Tickell and the Council worked to longlist and subsequently shortlist and interview those candidates.
- 4.4 Over four days in November 2021, the interview Panel (Cllr Page, Cllr Lovelock, Cllr Skeats) met with 18 candidates (six for Chair / NED) the remaining 12 for NED only. They were supported by officers from Reading Borough Council and Reading Transport Ltd. As a result, a new Chair is recommended, Peter Milhofer, and four new NEDs are recommended: Ian Feast, Robert Pinkett, Pam Turton and Gursharn Uppal. Two existing NEDs who applied to be re-appointed are recommended to continue on the Board: Patricia Thomas and Cllr Jane Stanford-Beale.

## **5. CONTRIBUTION TO STRATEGIC AIMS**

- 5.1 The Company has a significant role to play in most aspects of Borough:
- Healthy Environment - reducing congestion on Reading's roads, reducing car dependency for visitors and residents, promoting connectivity to other forms of public transport and active travel options, promoting an environmentally-friendly fleet
  - Thriving Communities - promoting the economic development of the Borough as an attractive incentive to inward investment in the town, promoting local employment, promoting a partnership approach to public transport including interchanges with other transport modes
  - Inclusive Economy - allowing residents to access and participate in work, leisure and study opportunities at an affordable cost, a continuous record of investment and growth of a locally owned transport operator

## **6. ENVIRONMENTAL AND CLIMATE IMPLICATIONS**

- 6.1 The Council declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers). There are no direct climate implications arising from this report. It is acknowledged that Reading Transport Ltd does make, and will continue to make, a significant contribution to the Borough's climate change goal of a carbon neutral Reading by 2030.

## **7. COMMUNITY ENGAGEMENT AND INFORMATION**

- 7.1 Section 138 of the Local Government and Public Involvement in Health Act 2007 places a duty on local authorities to involve local representatives when carrying out "any of its functions" by providing information, consulting or "involving in another way".

7.2 Public consultation was not undertaken for the new non-executive director roles. However, there was a national advertising campaign for the vacancies in order to attract appropriately qualified members of the public to apply for the roles.

## **8. EQUALITY IMPACT ASSESSMENT**

8.1 Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to—

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

8.2 An Equality Impact Assessment (EIA) is not relevant to this decision. The decision to appoint new directors will not have a differential impact on: racial groups; gender; people with disabilities; people of a particular sexual orientation; people due to their age; people due to their religious belief.

## **9. LEGAL IMPLICATIONS**

9.1 The Council is the sole shareholder of Reading Transport Ltd. As Shareholder the Council is entitled to appoint and dismiss Directors of the Company under the Articles of Association (the Company constitution).

9.2 Under the Articles, the minimum number of directors is four. There is no maximum number of directors. The Public Transport Companies (Permitted Maximum and Required Minimum Numbers of Directors) Order 1985 which previously set out numbers of directors was repealed in England by the Control of Fuel and Electricity, Local Government and Transport (Revocations and Savings) Order 2013.

## **10. FINANCIAL IMPLICATIONS**

10.1 There are no direct financial implications to the Council arising from this report. However, the future financial resilience of the Company, against the backdrop of reduced ridership and the pandemic, is at the centre of these recommendations to appoint a new Board.

10.2 The budget for Chair and NED remuneration is met by Reading Transport Ltd. The Chair is paid £10,000 pa and NEDs are paid £5,000 pa. As a serving councillor, Cllr Stanford-Beale is ineligible to receive any allowance for her role as a Non-Executive Director in a Council company.

## **11. BACKGROUND PAPERS**

11.1 There are none.

## **Annex - Biographies**

### **Peter Milhofer - nominated Chair and NED**

Peter qualified as a chartered accountant while working for KPMG and spent several years in their Reading office working with a range of clients in the local area. He then moved to work for Shell doing a range of senior Audit, Finance and Sustainability roles. He has also lived and worked in The Hague and Lyon.

Since leaving Shell he has joined the Board of British Rowing and the Council of Reading University. He also helps run Reading Rowing Club as Treasurer, in between rowing and coaching.

Peter has lived Reading since 1994.

### **Ian Feast - nominated NED**

Ian is currently Managing Director of a pharmacy company providing outpatient and delivery services. Having enjoyed an extensive executive career, he brings experience from Amazon, Avis Budget Group and Sixt. Having led consumer facing companies since 2004 he has brought his expertise in transformation, service excellence and quality to several industries. His involvement in strategic application started at Harvard University in 2009 from where he developed practical improvements across a number of transport & logistic organisations. Ian has an MBA from Sussex University and is a Fellow of the RSA.

### **Robert Pinkett - nominated NED**

Bob Pinkett brings considerable understanding of public transport with broad senior management level experience in bus operations and strategic planning. He has extensive local authority transport planning experience and sound bus company management skills. Bob started his career in municipal bus operations at Nottingham City Transport, moving on to local authority public transport planning in Kent and Hampshire, before joining Reading based Peter Brett Associates, latterly Stantec, in 1998. He has led Stantec's sustainable transport team for the last twenty years, including undertaking significant advisory and project work with both Reading Council and Reading Transport. He is currently a Non-Executive Director of Blackpool Transport Services Ltd. and a visiting lecturer at the University of Southampton.

### **Cllr Jane Stanford-Beale - nominated NED**

Jane Stanford-Beale is the Chief Executive Officer of Autism Berkshire with extensive experience in management and governance roles. She was a software development project manager for Reuters, a school governor in Caversham and a non-executive director of Reading NHS Primary Care Trust.

Jane is also an elected member of Reading Borough Council, where she is deputy leader of the opposition and opposition spokesman for Strategic Environment, Planning and Transport. In connection with her role as a councillor, she is a member of the Royal Berkshire Fire & Rescue Authority.

Jane was one of just 22 people in England and Wales honoured as Census 2021 Community Heroes Purple Plaque award winners, in recognition of her exceptional contribution to the community during the Pandemic. In 2016 she received a Prime Minister's Point of Light award for services to the voluntary sector. She is a licensed trainer for National Autistic Society EarlyBird Plus and Teen Life courses for parents and carers.

### **Patricia Thomas - nominated NED**

Trish has lived in Reading since 1975. She had a 35-year career in social care where she spent 15 years managing residential and respite care services for children in care and then for people with disabilities, while working for Berkshire County Council. This was followed by 5 years managing the assessment, planning and delivery of care to adult service users across Oxfordshire and then a further 15 years as a commissioning manager for Oxfordshire County Council, planning and designing adult care services, managing tender processes and letting and then monitoring contracts to deliver those services. Part of this role included managing demographic information to target service design and designing and managing monitoring systems and teams to ensure the safety and quality of service delivery. Partnership working with service users, service providers and other services such as health and housing providers was a key part of the role.

Trish was a councillor in Reading for 10 years and worked within Reading Borough Council primarily in the areas of transport and social care strategy, through various committee and sub-committee Chairs and roles.

### **Pam Turton - nominated NED**

Pam is a senior leader in local government, with over twenty years' experience in transport and sustainability, with a particular interest in the cross-over between transport and health. She has a passion for improving bus travel, recognising the critical role it plays in delivering thriving, inclusive communities, and reducing our overall impact on the environment. Pam has a Masters in Transport from Imperial College, London, and is a Fellow of the Chartered Institute of Highways and Transportation.

### **Gursharn Uppal - nominated NED**

A commercially minded Finance Director with a wealth of strategic, senior finance, and commercial experience. Most recent role was Finance Director at Climate KIC, Europe's largest public private innovation partnership, allocating grants to accelerate the transition to a zero carbon, climate resilient society. Prior to this, his last three roles were working as a finance director for rapidly growing companies including a year in Singapore. Although they used differing business models his remit was broadly similar where he was responsible for providing strategic input and financial leadership, to allow for capacity and capability growth within complex environments.