

News story: New industry group chairman appointed to help improve how large private companies are run

The government today (30 January 2018) announced that James Wates CBE has been appointed as the chair of a new industry group to lead a step change in the way large private companies are run.

As part of the government's world-leading package of corporate governance reforms, he will work with the Financial Reporting Council, the Institute of Directors, the Trades Union Congress and others to draw up the UK's first-ever set of guiding principles for large private companies.

These voluntary principles will help to ensure that our large private companies are transparent and accountable, addressing concerns that a minority of companies are falling short of the high standards that we expect.

James Wates CBE has extensive experience in the private sector, including as chairman of one of the UK's largest family-owned construction firms, the Wates Group. He also holds leading roles advising Infastructure Exports: UK and at think-tank Tomorrow's Company which helps businesses be a force for good in society.

Business Secretary Greg Clark said:

The UK is rightly recognised as having a world-leading business environment and responsible business practices – a key part of our Industrial Strategy.

But concerns that some companies are stepping out of line by ignoring employees' concerns need to be addressed and that is why I am delighted to appoint a chair to lead this important step change in the way large private companies are run.

James has a wealth of relevant experience and I wish him every success in his new role.

Chair of the group, James Wates CBE said:

I am delighted to have been asked to chair this very important piece of work. I feel passionately that good business, well done, can be a force for good in society.

I hope that the standards produced through this effort will help promote and enable ever-stronger and more consistent corporate governance amongst large private companies, which generate

significant value for the UK economy and society.

As the part of our corporate governance reforms, the government has already:

- supported the Investment Association's world-first public register of FTSE-listed companies where more than one fifth of shareholders have opposed resolutions on executive pay packages and other issues
- asked the Financial Reporting Council to find new ways for companies to engage with their employees as part of the revised UK corporate governance code
- announced research into whether companies repurchase their own shares to artificially inflate executive pay

Yesterday, James Wates CBE chaired the first meeting of the group to develop new corporate governance principles for large private companies. The group includes the:

- Financial Reporting Council
- Institute of Directors
- Confederation of British Industry
- Institute for Family Businesses
- British Private Equity & Venture Capital Association
- Investment Association
- Institute of Business Ethics
- Trades Union Congress (TUC)
- ICSA, The Governance Institute

The government will also introduce new laws this year requiring all large companies to show their responsible business arrangements, helping to build the public's trust in big business.

These laws will apply to companies with either:

- 2,000 employees
- turnover above £200 million and a balance sheet over £2 billion