

British Gas owner Centrica in talks to find new chairman

The FTSE-100 owner of British Gas, the UK's biggest domestic energy supplier, is in talks to recruit its next chairman.

Sky News has learnt that Centrica, which has a market value of about £7.3bn, is working with headhunters to identify a successor to Scott Wheway.

City sources said that Lygon Group, the search firm, was handling the process, and that it had been underway since earlier this year.

Mr Wheway only took over as chairman of Centrica in 2020, when he replaced Charles Berry, but has been on the company's board since 2016.

Under UK corporate governance rules, that means Mr Wheway would no longer be deemed independent once he has served as a director for nine years in May 2025.

Centrica is understood to be considering existing board members as well as external candidates to replace Mr Wheway.

Kevin O'Byrne, the former J Sainsbury finance chief, would be one logical contender although as the senior independent director charged with leading the search, it was unclear this weekend whether he was in the frame.

Centrica's other board members include Amber Rudd, the former energy secretary and home secretary.

The identities of outsiders who have been approached by Lygon was unclear this weekend.

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Chairing Centrica is regarded as one of the plum jobs in

British boardrooms, with previous occupants of the role including Sir Roger Carr, who went on to chair BAE Systems, and Rick Haythornthwaite, now chairman of NatWest Group.

As chairman, Mr Wheway has steered Centrica through the energy industry crisis exacerbated by Vladimir Putin's invasion of Ukraine more than two years ago.

Dozens of smaller suppliers went to the wall, triggering reforms to Ofgem's approach to regulating the sector.

In February, British Gas's parent said it had seen a surge of more than 80% in provisions for bad debts, underlining the continuing impact of the cost-of-living crisis even as wholesale energy prices had softened.

The company, which made operating profit of £2.8bn last year, also owns the plumbing specialist Dyno, and Ireland's Bord Gais Energy.

One flashpoint facing Mr Wheway's successor is likely to be the pay package awarded to Chris O'Shea, Centrica's chief executive.

Mr O'Shea, who has previously said there was "no point" seeking to justify his remuneration, was paid more than £8m last year.

The new Labour government is expected to pay closer attention to the rewards paid by leading British companies even as it vows to rule as a pro-business administration.

Shares in Centrica closed on Friday at 137.75p, giving the company a market capitalisation of £7.32bn.

The stock has risen by more than 11% over the last year.

Centrica declined to comment this weekend.