



<b>REPORT OF:</b>	HEAD OF CORPORATE POLICY & PERFORMANCE
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<b>TO:</b>	EXECUTIVE
<b>DATE:</b>	9 November 2017
<b>EXECUTIVE MEMBER:</b>	COUNCILLOR V.W. BROAD

<b>KEY DECISION REQUIRED:</b>	YES
<b>WARD (S) AFFECTED:</b>	ALL

<b>SUBJECT:</b>	<b>LOCAL AUTHORITY TRADING COMPANIES –GREENSANDS HOLDINGS PROGRESS REPORT</b>
<b>RECOMMENDATIONS:</b>	
(i) That the Mid term report by Greensands Holdings Ltd (September 2017) be noted.	
<b>REASONS FOR RECOMMENDATIONS:</b>	
To ensure Councillors receive updates on company activities.	
<b>EXECUTIVE SUMMARY:</b>	
<p>In September 2016, the Executive authorised the establishment of a property company, which was incorporated on 2 December 2016 as Greensands Holdings.</p> <p>Greensands Holdings provides a vehicle to undertake property trading activities in order to enhance the economic wellbeing within the Borough and enable the Council to generate financial returns to support the delivery of services.</p> <p>This report provides an update to the Executive on the company's performance.</p>	

<b>The Executive has authority to approve recommendation.</b>
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## STATUTORY POWERS

1. A local Authority is able to establish a Local Authority Trading Company ('LATC') through the powers in section 95 of the Local Government Act 2003. A Local Authority is permitted to trade in anything that it is authorised to do under its ordinary functions.

2. Under section 1 of the Localism Act 2011 local authorities now have a general power that enables them to do anything that a private individual is entitled to do, as long as it is not expressly prohibited by other legislation. Section 4 of the same Act directs that anything which is done for a purely commercial purpose should be done through a company. As the company operates for purely commercial purposes and may operate outside borough boundaries, this is the relevant power.

## **BACKGROUND**

3. In September 2016, the Executive authorised the establishment of a property company, which was incorporated on 2 December 2016 as Greensands Holdings.
4. Greensands Holdings provides a vehicle to undertake property trading activities in order to enhance the economic wellbeing within the Borough and enable the Council to generate financial returns to support the delivery of services.

## **COMPANY GOVERNANCE**

5. The Council as whole shareholder has ultimate control over the Company. It controls the company in a variety of ways; the appointment of directors, provision of funding and the Articles of Association.
6. The Board of Directors are responsible for delivery of the expected outcomes within the Business Plan. They have oversight of the performance, financial and operational management of the Company within the parameters agreed with the Shareholder.
7. The Shareholder function of the Council is primarily executed through the Property Executive Sub Committee.
8. The terms of reference for the Property Sub Committee were approved by the Executive on 15 September 2016, as part of the decisions to establish Greensands Holdings. The Sub Committee remit is to undertake all functions of the Council as majority shareholder under the Companies Act 2006. In practice this provides the Council's Shareholder representative, Councillor Broad, with a mandate for matters to be agreed at Shareholder level.

## **Greensands Holdings Progress Report**

9. The Greensands Holdings business plan was approved by shareholders on 14 November 2016. The report set out in the Exempt part of the Sub Committee's agenda, which was approved by the Board of Directors and Shareholders provides an update on the companies performance. The Members of the Executive Sub Committee have also considered this report in advance of it being presented to the Executive.
10. The report covers the period 1 January to 30 September 2017. Overall, performance is good and the report highlights the future growth forecasts and potential contracts in the pipeline.
11. The Executive is asked to note this report.

## **OPTIONS**

12. The Executive is asked to note the report.

## **LEGAL IMPLICATIONS**

13. There are no legal implications arising from this report.

## **FINANCIAL IMPLICATIONS**

14. The financial performance of the company is set out in the Mid Term report provided in the Exempt part of the Sub Committee's agenda.

## **EQUALITIES IMPLICATIONS**

15. There are no equalities implications arising from this report.

## **CONSULTATION**

16. Consultation has been undertaken with the Directors of Greensands Holdings to provide regular updates on performance.

## **POLICY FRAMEWORK**

17. There are no policy framework implications arising from this report.

**Background Papers:** Report to Executive: 15 September 2016