

Commercial Ventures Executive Sub- Committee Addendum

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27 August 2019

To the Members of the COMMERCIAL VENTURES EXECUTIVE SUB-COMMITTEE

Councillors: T. Archer (Chairman) and M. A. Brunt (Leader),
T. Schofield V. H. Lewanski

Substitutes

Councillors:

Conservatives:
Residents Group:
Green Party:
Liberal Democrats

For a meeting of the **COMMERCIAL VENTURES EXECUTIVE SUB-COMMITTEE** to be held on **THURSDAY, 5 SEPTEMBER 2019** at **6.30 pm** in the New Council Chamber - Town Hall, Reigate.

John Jory
Chief Executive

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SIGNED OFF BY	Head of Legal and Governance
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TO	Commercial Ventures Executive Sub-Committee
DATE	Tuesday 27 August 2019 for Thursday, 5 September 2019
EXECUTIVE MEMBER	Portfolio Holder for Investment and Companies

KEY DECISION REQUIRED	No
WARDS AFFECTED	(All Wards);

SUBJECT	Shareholder Actions, Pathway For Care Limited
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RECOMMENDATIONS
<ul style="list-style-type: none"> (i) To authorise John Jory, Director of Pathway for Care Limited, to approve the sale of Pathway for Care Limited's 70 A Ordinary shares from Fairhome Care plc as set out in the Part 2 section of this agenda. (ii) To authorise the Head of Legal and Governance to investigate the possibility of creating a Community Benefit Society as set out in the Part 2 section of this agenda and to assess whether this would be worthwhile for the Council.
REASONS FOR RECOMMENDATIONS
<ul style="list-style-type: none"> (i) The CVESC are asked to authorise John Jory, Director of Pathway for Care Limited, who would be representing RBBC as shareholder, to approve the sale of the shareholdings in Pathway for Care Limited as set out in the Part 2 section of this agenda. Such sale will allow Pathway for Care Limited to continue to provide supported living services. (ii) The CVESC are also asked to authorise the investigation of creating a Community Benefit Society as set out in the Part 2 section of this agenda. The creation of this Community Benefit Society has the potential to support the Council's investments.

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Executive Sub-Committee has authority to approve the above recommendations as shareholder representative for the Council.

STATUTORY POWERS

1. The Council has wide ranging powers to promote the economic, environmental and social well-being of the borough. These powers are derived from the Local Government Act 2000 and also include the powers of general competence under section 1 of the Localism Act 2011 to do anything that individuals with full capacity generally may do, subject to the provisions of the Act.

BACKGROUND

1. Following the creation of Pathway for Care Limited ('the Company') in August 2016 to offer a better care service to local residents, the Company diversified into supported living which required further investment which the Council was not prepared to support and the then Directors sought external investment from Fairhome Care plc.
2. The Council has £1.1m preference shares in the Company and 10 B Ordinary shares which would not be affected by the sale of shares.

Further Background is set out in the exempt Part 2 section of this agenda.

KEY INFORMATION

Key Information is set out in the exempt Part 2 section of this agenda

OPTIONS

1. **Option 1** would be for the CVESC to: (i) authorise John Jory to approve the sale of Pathway for Care Limited's shares from Fairhome Care plc; and (ii) approve the further investigation of whether it would be worthwhile to create a Community Benefit Society, as set out in the Part 2 section of this agenda. **This is the recommended option** to enable Pathway for Care Limited to provide further supported living services.
2. **Option 2** would be for the CVESC to authorise John Jory to approve the sale of Pathway for Care Limited's shares from Fairhome Care plc and to take no steps to investigate the CBS/Housing Association option. **This is not the recommended option** as the Council do not have all of the information yet to properly consider creating the CBS.
3. **Option 3** would be for the CVESC to do nothing. This is not the recommended option.

LEGAL IMPLICATIONS

Legal Implications are set out in the exempt Part 2 section of this agenda.

FINANCIAL IMPLICATIONS

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4. The Financial Implications are set out in the Part 2 section of this agenda.

EQUALITIES IMPLICATIONS

5. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
 - Advance equality of opportunity between people who share those protected characteristics and people who do not;
 - Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty applies to the following protected characteristics: age; disability; gender reassignment; pregnancy/maternity; race; religion/faith; sex and sexual orientation. In addition, marriage and civil partnership status applies to the first part of the duty.

6. The Committee should ensure that it has regard for these duties by considering them through the course of its work. This should include considering:
- How policy issues impact on different groups within the community, particularly those that share the nine protected characteristics;
 - Whether the impact on particular groups is fair and proportionate;
 - Whether there is equality of access to service and fair representation of all groups within the Borough;
 - Whether any positive opportunities to advance equality of opportunity and/or good relations between people, are being realised.

COMMUNICATION IMPLICATIONS

7. Communications are being consulted on the wider impact

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