

BOROUGH OF REIGATE AND BANSTEAD
COMMERCIAL VENTURES EXECUTIVE SUB-COMMITTEE

Minutes of a meeting of the Commercial Ventures Executive Sub-Committee held at the Executive Meeting Room - Town Hall on 7 November 2019 at 6.30 pm.

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

Also present: Councillors N. D. Harrison.

31. MINUTES

RESOLVED that the minutes of the Commercial Ventures Executive Sub-Committee meeting held on 5 September 2019 be approved as a correct record.

32. APOLOGIES FOR ABSENCE

Apologies for lateness were received from Councillor T Archer.

Clerk's Note: Councillor M A Brunt, Vice Chair of the Commercial Ventures Executive Sub-Committee, took the Chair for the meeting.

33. DECLARATIONS OF INTEREST

There were no declarations of interest.

34. CREATION OF A HOUSING ASSOCIATION

Councillor M A Brunt, the Leader of the Council, introduced the Creation of a Housing Association report. It was recommended that the Head of Legal and Governance be authorised to establish a Community Benefit Society for the purpose of becoming a housing association, and to take the necessary steps to establish appropriate structures around the Community Benefit Society.

As set out in the report, establishing this Community Benefit Society ('CBS') would enable the CBS to help to secure the quality of tenancy for a number of residents in supported living, who were supported by Pathway for Care, in which the Council was a shareholder. The CBS would also provide the potential to consider future related opportunities around housing provision.

The report identified that the business case for the CBS was sound and additional information was available in the exempt report in the Part 2 section of the agenda.

The recommended actions were to establish the CBS and take the necessary steps to establish it as an arm's length company through an appropriate company structure. Establishing the CBS would enable the Council to support the ongoing supported living work of Pathway for Care, and provide opportunities for additional housing work in the longer term.

RESOLVED that

- (i) the Head of Legal and Governance be authorised to complete and file the necessary paperwork to establish a CBS for the purpose of becoming a housing association; and
- (ii) the Head of Legal and Governance be authorised to take the necessary steps to establish the CBS as an arm's length company through an appropriate company structure in consultation with the Members of the Commercial Ventures Executive Sub-Committee.

Reason for decision: It enables the Council to support the on-going work of Pathway Care Limited in the short-term and to support the housing work of the Council in the longer term against the back drop of ensuring good governance for all commercial related activities.

Alternative option: establish a CBS directly held by the Council or not establish a CBS.

35. ACQUISITION OF PROPERTY IN REDHILL EAST

Councillor M A Brunt introduced the report and explained that it set out the proposed acquisition of a number of properties in Redhill East with additional information set out in the accompanying confidential report in the exempt Part 2 section of this agenda.

The proposed acquisition would provide an opportunity to support the provision of housing in the borough, and allow for the potential to generate income for the Council, and thereby support the Council's other services. It was reported that, having considered the potential acquisition in consultation with the other Members of the Sub-Committee, the balance of the potential benefit against the cost and potential risks, it was considered that there were better alternatives available to achieve the CVESC's objectives.

RESOLVED that the acquisition of the leasehold of the properties and associated delegations and use of funding were not authorised.

Reason for decision: The proposed acquisition did not provide sufficient benefit in relation to the associated cost and potential risks.

Alternative options: Subject to satisfactory due diligence, the Head of Legal and Governance, in consultation with the Head of Finance & Assets, Members of the Commercial Ventures Executive Sub-committee plus the Executive Member with responsibility for Housing & Benefits, be authorised to (a) acquire the leasehold of the properties in Redhill East, as detailed in the exempt report set out in the Part 2 section of this agenda, and to finalise and agree all associated agreements to support the acquisition, in line with the principles and financial requirements of this report and the accompanying exempt report; and (b) to fund the acquisition and supporting costs from the funding allocated within the approved Capital Programme for 2019/20 to 2023/24 for investment in capital schemes to support delivery of the Corporate Plan, Housing Delivery Strategy and Investment Strategy, as detailed in the exempt report set out in the Part 2 section of this agenda.

36. COMPANIES PERFORMANCE UPDATE, AUTUMN 2019

Councillor M A Brunt introduced the report which provided an update on the performance of companies owned by the Council. Updates were also provided on a 6 monthly basis to the Overview & Scrutiny Committee to support the good governance of the Council's investments. This update report had been considered by the Overview & Scrutiny Committee on 17 October 2019 and the CVESC noted the observations and points raised by the Overview & Scrutiny Committee as set out in its minutes.

As set out in the report, the companies were considered to either be performing in line with the Council's objectives, or to be on target to do so once work currently in progress was complete.

Councillor Brunt confirmed that as the CVESC continued to move forward with developing and progressing the Council's commercial approach to help support the Council's other services, it would continue to monitor the performance of the companies and other Council investments to ensure that they secured the best value possible for the Council and its residents.

RESOLVED that the 17 October 2019 Companies Performance Update, as set out in this report, and the observations from the Overview and Scrutiny Committee from its meeting of 17 October 2019 be noted.

Reason for decision: It will support the good governance of the Council's companies.

Alternative options: To request additional information on the performance of the companies owned, or part-owned, by the Council.

Clerk's Note: *Councillor Archer arrived at the end of item 6.*

37. SHAREHOLDER ACTIONS

37.1 Greensand Holdings Limited Shareholder Consent Matter

Councillor M A Brunt introduced the report. It was recommended that, as shareholder representative, the Commercial Ventures Executive Sub-Committee approve and sign the shareholder resolution increasing Greensand Holdings Limited's borrowing limit which was required to be increased following the Executive approving, on 19 September 2019, a loan of funds to the Company.

RESOLVED that the increase in Greensand Holdings Limited borrowing limit be approved by signing the shareholder written resolution, as set out in the accompanying exempt report in the Part 2 section of this agenda.

Reason for decision: Approving and signing the shareholder written resolution supports the good governance of the Council-owned company by complying with the requirements of the Shareholder Agreement between the Council and the Company.

Alternative options: To not approve the increase in the borrowing limit by

not signing the shareholder written resolution.

38. INVESTMENT OPPORTUNITIES

There were no items to be considered.

39. PROPERTY ACQUISITIONS AND DISPOSALS

There were no items to be considered.

40. LOANS, GRANTS AND DRAW DOWN AGREEMENTS

There were no items to be considered.

41. ANY OTHER URGENT BUSINESS

None.

42. EXEMPT BUSINESS

RESOLVED that members of the Press and public be excluded from the meeting for the following item of business under Section 100A(4) of the Local Government Act 1972 on the grounds that:

- i. it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act; and
- ii. the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

43. CREATION OF A HOUSING ASSOCIATION (EXEMPT)

RESOLVED that the exempt information in relation to the Creation of a Housing Association report be noted.

44. ACQUISITION OF PROPERTY IN REDHILL EAST (EXEMPT)

The exempt information regarding the acquisition of property in Redhill East was noted.

45. COMPANIES PERFORMANCE UPDATE, AUTUMN 2019 (EXEMPT)

RESOLVED that the exempt information in relation to the Companies Performance Update report be noted.

46. SHAREHOLDER ACTIONS (EXEMPT)

46.1 Greensand Holdings Limited Shareholder Consent Matter (Exempt)

RESOLVED that the exempt information in relation to the Greensand Holdings Limited Shareholder Consent Matter report be noted.

47. INVESTMENT OPPORTUNITIES (EXEMPT)

There was no exempt business to be considered under this agenda item.

48. PROPERTY ACQUISITIONS AND DISPOSALS (EXEMPT)

There was no exempt business to be considered under this agenda item.

49. LOANS, GRANTS AND DRAW DOWN AGREEMENTS (EXEMPT)

There was no exempt business to be considered under this agenda item.

The Meeting closed at 1852