

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 27 February 2020 at 6.30 pm.

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

Also present: Councillors M. S. Blacker, N. D. Harrison, N. C. Moses and P. Harp.

83. MINUTES OF THE PREVIOUS MEETING

RESOLVED to approve the minutes of the meeting held on 30 January 2020 as a correct record.

84. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor T Archer.

85. DECLARATIONS OF INTEREST

There were no declarations of interest.

86. RBBC LIMITED DISSOLUTION

Councillor T Schofield presented the RBBC Limited dissolution report and informed the Committee that RBBC Limited was incorporated for the purpose of temporarily acquiring a digital monitoring business whilst securing an investor for this business. It was never the Council's intention to diversify and operate this type of business, but an investor was not secured and in November 2018 the Executive noted the plan to close the company.

The assets which were transferred from Pathway for Care Limited to RBBC Limited on the transfer of the digital monitoring business were discussed and it was confirmed that these had been written off in the accounts and investigations would be carried out to establish their location.

The Chief Finance Officer and the Democratic Services Officer were thanked for their work in respect of the dissolution of RBBC Limited.

It was **RECOMMENDED** that:

- i) the Chief Finance Officer be authorised to not recover the £29,434.98 expenses that have been incurred on behalf of RBBC Limited and treat them as a charge to the Council's revenue budget in 2019/20, and confirm in writing to the Director of RBBC Limited that the Council will not seek to recover any liabilities;
- ii) the Director of RBBC Limited be authorised to arrange for RBBC Limited to be dissolved; and

- iii) in its capacity as the Council's shareholder representative for RBBC Limited, note the dissolution of RBBC Limited.

RESOLVED:

- i) the Chief Finance Officer was authorised to not recover the £29,434.98 expenses that have been incurred on behalf of RBBC Limited and treat them as a charge to the Council's revenue budget in 2019/20 and the Chief Finance Officer was authorised to confirm in writing to the Director of RBBC Limited that the Council will not seek to recover any liabilities;
- ii) the Director of RBBC Limited was authorised to arrange for RBBC Limited to be dissolved; and
- iii) in its capacity as the Council's shareholder representative for RBBC Limited, noted the dissolution of RBBC Limited.

Reason for decision: RBBC Limited was incorporated for the purpose of temporarily acquiring a digital monitoring business whilst securing an investor for this business. It was never the Council's intention to diversify and operate this type of business, rather it was a vehicle to secure a buyer for this element of the Council's previous investment in Pathway for Care.

An investor was not secured and in November 2018 Executive received a report that included an update on plans to close the company. The actions necessary to implement Executive's decision were now complete and it was recommended to the Commercial Ventures Executive Sub-Committee that RBBC Limited be dissolved and its remaining liabilities written off and avoid an insolvent liquidation.

Writing off the liabilities and dissolving RBBC Limited was considered to be the most appropriate course of action to ensure the liabilities did not increase and the Council did not continue to maintain a company that could not meet its financial obligations and the costs had to be acknowledged in the Council's financial report.

Alternative options:

- i) To not authorise the Chief Finance Officer to seek approval to not recover the £29,434.98 due to the Council from RBBC Limited and instead, liquidate RBBC Limited as insolvent.
- ii) Do nothing.

87. ANY OTHER BUSINESS

None.

The Meeting closed at 6.43 pm