

Commercial Ventures Executive Sub- Committee Agenda

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29 April 2020

To the Members of the **COMMERCIAL VENTURES EXECUTIVE SUB-COMMITTEE**

Councillors:	T. Archer	Portfolio Holder for Investment and Companies
	T. Schofield	Deputy Leader and Portfolio Holder for Finance
	M. A. Brunt	Leader of the Council
	V. H. Lewanski	Portfolio Holder for Corporate Direction and Governance

For a meeting of the **COMMERCIAL VENTURES EXECUTIVE SUB-COMMITTEE** to be held on **MONDAY, 11 MAY 2020** at **5.00 pm** virtually using Webex.

John Jory
Chief Executive

If you need this agenda in an alternative format, please refer to the information on the final page.

Notice is given of the Executive's intention to hold part of its meeting on Monday, 11 May 2020 in private for consideration of reports containing "exempt" information

1. **APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

2. **DECLARATIONS OF INTEREST**

To receive any declarations of interest.

3. **MINUTES OF THE PREVIOUS MEETING**

(Pages 5 - 6)

To approve the minutes of the meeting held on 27 February 2020 as a correct record.

4. **PROJECT BASEBALL**

(Pages 7 - 12)

5. **EXEMPT BUSINESS**

RECOMMENDED 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.

6. **PROJECT BASEBALL - EXEMPT**

(Pages 13 - 18)

7. **ANY OTHER BUSINESS**

To consider any other urgent business.



Our meetings

As we would all appreciate, our meetings will be conducted in a spirit of mutual respect and trust, working together for the benefit of our Community and the Council, and in accordance with our Member Code of Conduct. Courtesy will be shown to all those taking part.



Virtual meeting

This meeting will be held virtually using Webex. Details about how visiting Members can view and members of the public can listen to this meeting are available by emailing democratic@reigate-banstead.gov.uk no later than fifteen minutes prior to the start of the meeting.



Accessibility

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Commercial Ventures Executive Sub-Committee
27 February 2020

Minutes

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

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27 February 2020

Minutes

- 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

Agenda Item 4



SIGNED OFF BY	Commercial and Investment Director
AUTHOR	Caroline Waterworth, Commercial and Investment Director
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TO	Commercial Ventures Executive Sub-Committee
DATE	Monday, 11 May 2020
EXECUTIVE MEMBER	Portfolio Holder for Investment and Companies

KEY DECISION REQUIRED	Y
WARDS AFFECTED	(All Wards);

SUBJECT	Project Baseball, May 2020
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RECOMMENDATIONS	
1.	To approve an exemption to the Council's Contract Procedure Rules to support the pursuance of the identified opportunity, as set out in the accompanying exempt report in the Part 2 section of this agenda.
2.	That the Director of Commercial and Investment, in consultation with the Head of Legal and Governance, the Head of Finance and Assets, and the Chair of the Commercial Ventures Executive Sub-Committee, be authorised: <ul style="list-style-type: none"> a. To finalise and enter into agreements, to support the pursuance of the identified opportunity, as set out in the accompanying exempt report in the Part 2 section of this agenda. b. To fund the agreements from the Feasibility Studies (Commercial Ventures) Reserve, and to substitute funding from the Feasibility Studies (Commercial Ventures) Reserve for funding previously allocated from the Corporate Plan Delivery Fund, to support the pursuance and effective administration of the identified opportunity, as set out in the accompanying exempt report in the Part 2 section of this agenda.

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REASONS FOR RECOMMENDATIONS

To obtain authority for an exemption to the Council's Contract Procedure Rules, and to enter into and approve funding for an agreement in line with this exemption. This will support the Council's Corporate Plan objectives as set out in the accompanying exempt report in the Part 2 section of this agenda.

EXECUTIVE SUMMARY

This report seeks authorisation to enable the Council to continue to pursue an identified opportunity, which it is considered will support the delivery of the Council's Corporate Plan objectives through its future potential use, and also offers the potential to generate income for the Council.

As a strategic project, the opportunity is not without risk, and it is possible that the full extent of the identified potential benefits may not be realised. In taking this decision, Executive Sub-Committee Members should take account of the possible risks and potential benefits and make a judgement on the appropriate considerations.

Details of the required authorisation and the financial and risk implications are set out in the accompanying exempt report in the Part 2 section of this agenda. This information is exempt on the grounds that it relates to the financial and business affairs of the Council, and the public interest in maintaining the exemption is judged to outweigh the public interest in disclosing the information. Previous information on the project is available in the reports considered by this Sub-Committee in December 2019.

The Commercial Ventures Executive Sub-Committee has authority to approve the above recommendations.

STATUTORY POWERS

1. Section 2 of the Local Government Act (2000) gives Local Authorities a general power of competence to act in the furtherance of the economic, social or environmental wellbeing of their area. The exercise of that power is specifically linked, in section 4 of the act, to works required in the furtherance of community and corporate plan objectives.
2. This opportunity is anticipated to provide financial, social and environmental enhancements to the wellbeing of the area for the reasons set out in the key information section of the report.

BACKGROUND

3. At its meeting on 5 December 2019, the Commercial Ventures Executive Sub-Committee authorise proceeding with planned activities to support the identified opportunity, and funding of the planned activities from the Corporate Plan Delivery Fund.

KEY INFORMATION

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4. Key information on the proposed agreement, funding and required exemption from the contract procedure rules is included in the accompanying exempt report set out in the Part 2 section of this agenda.

OPTIONS

5. The options available to the Commercial Ventures Executive Sub-Committee are set out below:

Option 1: To approve the exemption to the Contract Procedure Rules and authorise the Director of Commercial and Investment to finalise, enter into and fund agreements in pursuance of the identified opportunity, as set out in the accompanying exempt report in the Part 2 section of this agenda. **This is the recommended option** as it will enable activities which will support the delivery of the Corporate Plan objectives.

Option 2: To not approve the exemption to the Contract Procedure Rules or authorise the Director of Commercial and Investment to finalise, enter into and fund agreements in pursuance of the identified opportunity, as set out in the accompanying exempt report in the Part 2 section of this agenda. **This is not the recommended option** as it will not enable activities which will support the delivery of the Corporate Plan objectives.

LEGAL IMPLICATIONS

6. As identified in the Statutory Powers section of this report, the Council has the power to act in the furtherance of the economic, social or environmental wellbeing of the area.
7. There is no legal duty to consult the public on any commercial terms of the project. These are matters for the authority. The Executive is entitled to determine them at its discretion, notwithstanding any previous decisions it has made, having considered the contents of this report.
8. Legal advice shall be sought as necessary throughout the pursuance of the project.

FINANCIAL IMPLICATIONS

9. The identified opportunity referred to in the recommendations of this report offers the potential to support the delivery of the Council's Corporate Plan objectives and to generate a financial return for the Council. However, there are financial risks inherent in the identified opportunity, and the members of the Commercial Ventures Executive Sub-Committee should consider these in making their decision.
10. Further details on the financial implications are included in the accompanying exempt report set out in the Part 2 section of this agenda.
11. The cost of the proposals set out in the Part 2 report will be funded from the Feasibility Studies (Commercial Ventures) Reserve which the Sub-Committee has authority to approve.

EQUALITIES IMPLICATIONS

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12. 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.
13. 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.
14. 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.
15. An equalities impact assessment was conducted to support consideration of the equalities implications relating to this opportunity when the matter was considered by the Commercial Ventures Executive Sub-Committee in December 2019.
16. The recommended actions are not considered to present any significant change to these implications. Consideration will continue to be given to any potential emerging implications as the project progresses.

RISK MANAGEMENT CONSIDERATIONS

17. As a strategic project, the opportunity is not without risk, and it is possible that identified potential benefits may not be realised exactly as anticipated. Details of the risk management considerations are included in the accompanying exempt report set out in the Part 2 section of this agenda.

CONSULTATION

18. The Leader of the Council and the Director of Place have been consulted with regard to the recommendations of this report.

POLICY FRAMEWORK

19. As identified, the identified opportunity would support the delivery of the Council's Corporate Plan objectives through providing enhancements to the local area.

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