



# Agenda

## Commercial Ventures Executive Sub- Committee

Thursday, 15 October 2020 at 6.30 pm

Remote meeting via video link



This meeting will be held **remotely**. Committee Members will be provided with the details of how to connect to the meeting one day before the meeting.

### Members:

**T. Archer (Chairman) and M. A. Brunt (Leader)**

T. Schofield

V. H. Lewanski

**Mari Roberts-Wood**  
Interim Head of Paid Service

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**Reigate & Banstead**  
**BOROUGH COUNCIL**  
Banstead | Horley | Redhill | Reigate

**1. Minutes of the previous meeting** (Pages 5 - 12)

To approve the minutes of the previous meeting as a correct record.

**2. Apologies for absence**

To receive any apologies for absence.

**3. Declarations of interest**

To receive any declarations of interest.

**4. PROJECT BASEBALL - 15 OCTOBER 2020** (Pages 13 - 16)

**5. REDHILL, LEASE ARRANGEMENTS - AUTUMN 2020** (To Follow)

**6. 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.

**7. PROJECT BASEBALL - 15 OCTOBER 2020 - EXEMPT** (Pages 17 - 26)

**8. REDHILL, LEASE ARRANGEMENTS - AUTUMN 2020 - EXEMPT** (To Follow)

**9. 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.



### **Streaming of meetings**

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**Notice is given** of the intention to hold any part of this meeting in private for consideration of any reports containing "exempt" information, which will be marked accordingly.

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## **BOROUGH OF REIGATE AND BANSTEAD**

### **COMMERCIAL VENTURES EXECUTIVE SUB-COMMITTEE**

Minutes of a meeting of the Commercial Ventures Executive Sub-Committee held at the Remote - Virtual Meeting on 17 September 2020 at 6.30 pm.

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

Also present: Councillors M. S. Blacker, N. D. Harrison and S. Sinden.

#### **10. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

#### **11. DECLARATIONS OF INTEREST**

There were no declarations of interest.

#### **12. MINUTES OF THE PREVIOUS MEETING**

**RESOLVED** that the minutes of the meeting held on 2 July 2020 be approved as a correct record and would be signed as soon as reasonably practical.

Councillor T Archer confirmed Item 8 of the agenda being 'Redhill Lease Arrangements' had been removed from the agenda.

#### **13. SHAREHOLDER ACTIONS - GREENSAND HOLDINGS LIMITED**

Councillor T Archer confirmed that the Commercial Ventures Executive Sub-Committee as shareholder representative for Greensand Holdings Limited should review, note, approve and authorise the following recommendations, set out in the report, in order the Council's company could meet its obligations under the Companies Act 2006 and its constitution:

##### **Recommendations**

- i. receive the Company's Directors' Report and Audited Financial Statements for the year ended 31 December 2019 set out in the exempt Part 2 section of the agenda;
- ii. approve the re-appointment of Kreston Reeves LLP as auditor for Greensand Holdings Limited for the year to 31 December 2020;
- iii. for the auditor appointed to Greensand Holdings Limited in (ii) above, approve the Directors of the Company to fix the auditors' remuneration for the year to 31 December 2020 as set out in the exempt Part 2 section of this agenda;

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- iv. note the departure of John Jory as Director of the Company with effect from 31 July 2020;
- v. approve the appointment of the new Director of Greensand Holdings Limited and confirm the appointment in writing as set out in the exempt Part 2 section of this agenda; and
- vi. authorise Councillor T Archer to sign on behalf of the shareholder, RBBC, the shareholder ordinary resolution confirming i. to v above as set out in the exempt Part 2 section of the agenda.

## **RESOLVED** that:

- i. the Greensand Holdings Limited's Directors' Report and Audited Financial Statements for the year ended 31 December 2019 be received;
- ii. the re-appointment of Kreston Reeves LLP as auditor for Greensand Holdings Limited for the year to 31 December 2020 be approved;
- iii. for the auditor appointed to Greensand Holdings Limited in (ii) above, the Directors of the Greensand Holdings Limited be authorised to fix the auditors' remuneration for the year to 31 December 2020;
- iv. the departure of John Jory as Director of the Company with effect from 31 July 2020 be noted;
- v. the appointment of Councillor R Michalowski as a Director of Greensand Holdings Limited be approved and the appointment be confirmed in writing to the Company; and
- vi. Councillor T Archer be authorised to sign on behalf of the shareholder, RBBC, the shareholder ordinary resolution confirming i. to v above.

## **Reason for decisions:**

- i. The Commercial Ventures Executive Sub-Committee, as shareholder representative for Greensand Holdings Limited (the Company), acknowledged receipt of the Directors' Report and Audited Financial Statements for the year ended 31 December 2019 to comply with the Shareholder Agreement between the Company and RBBC;
- ii. The shareholder representative approved the re-appointment of Kreston Reeves LLP as auditor for Greensand Holdings Limited for the year to 31 December 2020 in order to comply with Section 485 of the Companies Act 2006;
- iii. The shareholder representative, for the auditor appointed to Greensand Holdings Limited in (ii) above, approved the Directors of the Company to fix the auditors' remuneration for the year to 31 December 2020 to comply with Section 492 of the Companies Act 2006;
- iv. The shareholder representative noted the departure of John Jory as a Director of Greensand Holdings Limited as he had departed the Council on 31 July 2020; and

- v. The shareholder representative approved the appointment of Councillor R Michalowski as a new Director of Greensand Holdings Limited and would confirm this appointment in writing to comply with the Shareholder Agreement between Greensand Holdings Limited and RBBC.

### **Alternative Options:**

- Option 2: If after reviewing the required actions and supporting documentation, adjustments were required, the CVESC should request the necessary adjustments be made and approve the actions subject to those adjustments, in order Greensand Holdings Limited be correctly governed and meet its statutory requirements.
- Option 3: Do not approve the required actions. This was not the recommended option as the Directors of Greensand Holdings Limited would not be able to carry out their statutory duties and would be in breach of the Companies Act 2006 and the Shareholder Agreement. The Directors could be fined and the company struck off the Register of Companies if accounts are not lodged with Companies House.

## **14. SHAREHOLDER ACTIONS - HORLEY BUSINESS PARK DEVELOPMENT LLP**

Councillor T Archer confirmed that the Commercial Ventures Executive Sub-Committee as partner representative for the Council's Membership of Horley Business Park Development LLP should review, note, approve and authorise the following recommendations, as set out in the report, in order the Council's part-owned company can meet its obligations under the Companies Act 2006 and its constitution:

- i. Review and acknowledge receipt of the Company's Annual Report and Financial Statements for the year ended 31 December 2019;
- ii. Note the departure of John Jory as Board Representative;
- iii. Approve the appointment of two new Board Representatives to the Company to replace John Jory and John Reed;
- iv. Authorise the Board Representatives to approve the re-appointment of Kingston Smith LLP as the Company's auditor for the year to 31 December 2020; and
- v. Authorise the Board Representatives to fix the auditors' remuneration for the year to 31 December 2020.

### **RESOLVED that:**

- i. the Horley Business Park Development LLP's Annual Report and Financial Statements for the year ended 31 December 2019, set out in the exempt Part 2 section of this agenda, be received;
- ii. the departure of John Jory as the RBBC Board Representative from the LLP be noted;

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- iii. Councillor T Archer be authorised to name the appointees to the role of Board Representatives for Horley Business Park Development LLP to replace John Jory and John Reed and confirm these appointments in writing to Horley Business Park Development LLP.
- iv. the RBBC Board Representatives, authorised to approve the re-appointment of Moore Kingston Smith LLP as auditor for Horley Business Park Development LLP for the year to 31 December 2020; and
- v. for the auditor appointed to Horley Business Park Development LLP in (iv) above, the RBBC Board Representatives, when appointed, be authorised to fix the auditors' remuneration for the year to 31 December 2020, as set out in the exempt Part 2 of the agenda.

## **Reason for decision:**

- i. The Commercial Ventures Executive Sub-Committee as the partner representative has acknowledged receipt of the Horley Business Park Development LLP's Annual Report and Financial Statements for the year ended 31 December 2019 in order to be compliant with the Members Agreement dated 24 March 2016.
- ii. the departure of John Jory as RBBC's Board Representative from the LLP was noted as he had departed the Council on 31 July 2020;
- iii. The Commercial Ventures Executive Sub-Committee as partner representative, were required to appoint two Board Representatives to replace John Jory and John Reed and Councillor T Archer to confirm these appointments in writing to the Company to comply with the Members Agreement dated 24 March 2016.
- iv. The Commercial Ventures Executive Sub-Committee as partner representative, authorised the Board Representatives, to be appointed, to approve the re-appointment of Moore Kingston Smith LLP as auditor for Horley Business Park Development LLP for the year to 31 December 2020 as Section 485 of the Companies Act 2006 as applied by Regulation 36 of the Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 requires the Members of the company to appoint or re-appoint an auditor.
- v. the partner representative authorised the RBBC Board Representatives to fix the auditors' remuneration for the year to 31 December 2020 as Section 492 of the Companies Act 2006 as applied by Regulation 37 of the Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 requires the remuneration of an auditor appointed by the LLP to be fixed by the Members of the company.

## **Alternative Options:**

- Option 2: If after reviewing the required actions and supporting documentation, adjustments are required, the CVESC should request the necessary adjustments be made and approve the actions subject to those



adjustments, in order the Council's commercial entities are governed correctly and meet their statutory requirements.

- Option 3: Do not approve the required actions. This is not the recommended option as the Members of the Council's part-owned commercial entity would not be able to carry out their statutory duties and will be in breach of the Companies Act 2006 and the Company's constitution. The Members can be fined and the company struck off the Register of Companies if accounts are not lodged with Companies House.

## 15. SHAREHOLDER ACTIONS - PATHWAY FOR CARE LIMITED

Councillor T Archer confirmed that the Commercial Ventures Executive Sub-Committee as shareholder representative for Pathway for Care Limited should review, note and approve the recommendations, as set out in the report in order to carry out its duty as shareholder representative and for the Council's part-owned company to meet its obligations under its constitution:

- i. Review the Annual Report and Unaudited Financial Statements for the year ended 31 July 2019 and request confirmation from PFC that provision has been made for the repayment of the Council's £1.1 million preference shares by April 2023;
- ii. Note the departure of John Jory as a Director of Pathway; and
- iii. Approve the appointment of Councillor V Lewanski as the new Director of Pathway to replace John Jory.

### **RESOLVED** that:

- i. Pathway for Care Limited's Annual Report and Unaudited Financial Statements for the year ended 31 July 2019, be received and confirmation from Pathway for Care Limited that provision has been made for the repayment of the £1.1 million preference shares by April 2023 be requested;
- ii. the departure of John Jory as Director of the Company be noted; and
- iii. Councillor V Lewanski be appointed as Director of Pathway for Care Limited as a replacement for John Jory and the appointment be confirmed in writing to Pathway for Care as set out in the exempt Part 2 section of the agenda.

### **Reason for decision:**

- i. The Commercial Ventures Executive Sub-Committee, as shareholder representative for Pathway for Care Limited, received the Company's Annual Report and Unaudited Financial Statements for the year ended 31 July 2019 and requested confirmation from Pathway for Care Limited that provision has been made for the repayment of the £1.1 million preference shares by April 2023, to evaluate the Company's financial performance;
- ii. The Commercial Ventures Executive Sub-Committee, as shareholder representative for Pathway for Care Limited noted the departure of John Jory

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as a Director of Pathway for Care Limited as he had departed the Council on 31 July 2020; and

- iii. The shareholder representative approved the appointment of Councillor V Lewanski, as a replacement for John Jory, as Director of Pathway for Care Limited and approved that this appointment would be confirmed in writing in order to comply with the Shareholder Agreement between Pathway for Care Limited and RBBC.

## **Alternative Options:**

- Option 2: To approve all of the Recommendations above without further enquiry. This was not the recommended option as the Council should be satisfied that provision was being made for the repayment of the £1.1 million preference shares by April 2023.
- Option 3: Do not approve the Recommendations. This was not the recommended option as the Council was required to appoint a Director to the Company by the Articles of Association and the Shareholder Agreement.

## **16. EXEMPT BUSINESS**

**RESOLVED** that members of the Press and public be excluded from the meeting for the following items 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.

## **17. REDHILL, LEASE ARRANGEMENTS**

Councillor T Archer confirmed that this agenda item had been removed from the agenda.

## **18. SHAREHOLDER ACTIONS - GREENSAND HOLDINGS LIMITED - EXEMPT**

**RESOLVED** that the exempt information, set out in Part 2 of the report, in relation to Shareholder Actions – Greensand Holdings Limited be noted.

## **19. SHAREHOLDER ACTIONS - HORLEY BUSINESS PARK DEVELOPMENT LLP - EXEMPT**

**RESOLVED** that the exempt information, set out in Part 2 of the report, in relation to Shareholder Actions – Horley Business Park Development LLP be noted.

## **20. SHAREHOLDER ACTIONS - PATHWAY FOR CARE LIMITED - EXEMPT**

**RESOLVED** that the exempt information, set out in Part 2 of the report, in relation to Shareholder Actions – Pathway for Care Limited be noted.

## **21. ANY OTHER BUSINESS**

None.

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The Meeting closed at 6.39 pm

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# Agenda Item 4



<b>SIGNED OFF BY</b>	Director of Commercial & Investment
<b>AUTHOR</b>	Mark Jolley, Greenspaces Business & Development Manager
<b>TELEPHONE</b>	Tel: 01737 276258
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<b>TO</b>	Commercial Ventures Executive Sub-Committee
<b>DATE</b>	Thursday, 15 October 2020
<b>EXECUTIVE MEMBER</b>	Portfolio Holder for Investment and Companies

<b>KEY DECISION REQUIRED</b>	Yes
<b>WARDS AFFECTED</b>	(All Wards);

<b>SUBJECT</b>	Project Baseball, October 2020
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<b>RECOMMENDATIONS</b>
<p>1. That the Director of Commercial &amp; Investment, in consultation with the Head of Legal and Governance, the Head of Finance, the Chair of the Commercial Ventures Executive Sub-Committee and the Head of Place Delivery, be authorised:</p> <ul style="list-style-type: none"> <li>a) To proceed with the next planned activities associated with the identified opportunity, as referred to in the Part 2 section of this agenda, as a continuation of the project to support the delivery of the Council's Corporate Plan objectives;</li> <li>b) To revise the allocation of funding from the Feasibility Studies (Commercial Ventures) Reserve 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.</li> </ul>
<b>REASONS FOR RECOMMENDATIONS</b>
<p>To obtain authority to proceed with the next proposed activities and the revision of the associated budget to support the identified project. This will support the Council's Corporate Plan objectives as set out in the exempt Part 2 section of this agenda.</p>
<b>EXECUTIVE SUMMARY</b>

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This report seeks authority to proceed with the next planned activities associated with the project. It is considered that the opportunity as a strategic project will support the delivery of the Council's Corporate Plan objectives through its future potential use, and 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 Members should take account of the possible risks and potential benefits and make a judgement on the appropriate considerations.

Details of the opportunity, the financial and risk implications, and the Council's proposed approach are set out in the exempt 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.

**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 economic, social and environmental enhancements to the wellbeing of the area for the reasons set out in the exempt Part 2 section of this agenda.
3. These enhancements will further the objectives of the Council's Corporate Plan.

## **BACKGROUND**

4. The Council's Corporate Plan contains a number of objectives aimed at ensuring the borough is a great place to live and work.
5. Pursuance of the next planned activities associated with the identified opportunity would enable the Council to support the delivery of these objectives, as is set out in the exempt Part 2 section of this agenda.
6. In addition to supporting the Council's Corporate Plan Objectives of ensuring the borough is a great place to live and work, the proposed opportunity potentially also provides the opportunity for the Council to generate funding to support other services.
7. By way of general context for the consideration of investments, funding for Local Authorities has reduced in recent years, and there is a risk of further significant reductions to available funding from 2021/22 onwards. Simultaneously, the demands faced by Local Authorities have increased in many areas.

## **KEY INFORMATION**

8. Key information on the project, including the potential benefits to the borough is included within the exempt Part 2 sections of the agenda.

## **OPTIONS**

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

Option 1: Authorise the continuation of the project through the pursuance of the next stage activities, the associated delegations and revision to funding. This is the recommended option. The Council will thereby undertake the planned activities associated with the opportunity, which will support the delivery of the Corporate Plan.

Option 2: Do nothing. This is not the recommended option as it would not support the Corporate Plan objectives.

10. Further detail on the options is set out within the exempt Part 2 section of this agenda.

## **LEGAL IMPLICATIONS**

11. 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.
12. 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.
13. Legal advice shall be sought as necessary throughout the pursuance of the project.

## **FINANCIAL IMPLICATIONS**

14. The proposed opportunity for which authority is sought in this report offers the potential to generate a financial return for the Council. However, there are also financial risks inherent in the proposed opportunity, and Executive Members should consider these in making their decision.
15. Further detail on the financial implications is included within the exempt Part 2 sections of the agenda.

## **EQUALITIES IMPLICATIONS**

16. 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;

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- Foster good relations between people who share those characteristics and people who do not.
17. 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.
18. 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.
19. Further detail on the equalities implications are set out in the Part 2 section of this agenda.

## **COMMUNICATION IMPLICATIONS**

20. Implications relating to the communications have been explored as part of the continued pursuance of the opportunity. Further detail of communications matters are set out in the exempt Part 2 section of this agenda.

## **RISK MANAGEMENT CONSIDERATIONS**

21. 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 set out in the exempt Part 2 section of this agenda.

## **CONSULTATION**

22. The Leader of the Council and Executive Members with responsibility for Finance and Investment & Companies have been consulted with regard to the recommendations of this report.

## **POLICY FRAMEWORK**

23. As identified, the proposed investment opportunity would support the delivery of the Council's Corporate Plan objectives through providing enhancements to the local area.
24. The proposed investment opportunity aligns with the Council's Capital Investment Strategy.