

Agenda

Commercial Ventures Executive Sub- Committee

Thursday, 23 June 2022 at 6.30 pm

New Council Chamber, Town Hall, Reigate



This meeting will take place in the Town Hall, Castlefield Road, Reigate. Members of the public, Officers and Visiting Members may attend remotely or in person.

All attendees at the meeting have personal responsibility for adhering to any Covid control measures. Attendees are welcome to wear face coverings if they wish.



Members of the public may observe the proceedings live on the Council's [website](#).

Members:

T. Archer
M. A. Brunt (Leader)
T. Schofield
V. H. Lewanski

Mari Roberts-Wood
Head of Paid Service

For enquiries regarding this agenda;

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



1. Election of Chair

To elect the Chair of the Commercial Ventures Executive Sub-Committee for the Municipal Year 2022/23.

2. Election of Vice-Chair

To elect the Vice-Chair of the Commercial Ventures Executive Sub-Committee for the Municipal Year 2022/23

3. Apologies for absence

To receive any apologies for absence.

4. Declarations of interest

To receive any declarations of interest.

5. Minutes of the previous meeting

(Pages 5 - 8)

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

6. Shareholder Actions - 23 June 2022 RBBC Limited

(Pages 9 - 18)

To receive RBBC Limited's Directors' report and unaudited financial statements for the year ended 30 September 2021.

7. 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.

8. 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

Meetings are broadcast live on the internet and are available to view online for six months. A recording is retained for six years after the meeting. In attending any meeting, you are recognising that you may be filmed and consent to the live stream being broadcast online, and available for others to view.



Accessibility

The Council's agenda and minutes are provided in English. However, the Council also embraces its duty to anticipate the need to provide documents in different formats, such as audio, large print or in other languages. The Council will provide such formats where a need is identified prior to publication or on request.



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 New Council Chamber - Town Hall, Reigate on 24 March 2022 at 7.00 pm.

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

Before the start of the meeting the Mayor reminded all present that this meeting of the Council would be webcast live on the Council's website.

21. APOLOGIES FOR ABSENCE

There were no apologies for absence.

22. MINUTES OF THE PREVIOUS MEETING

RESOLVED to approve the minutes of the previous meeting on 30 September 2021 as a correct record.

23. DECLARATIONS OF INTEREST

There were no declarations of interest.

24. COMPANIES PERFORMANCE UPDATE - AUTUMN 2021

The Commercial Ventures Executive Sub-Committee (CVESC) considered the performance of companies owned or part-owned by the Council set out in the Autumn 2021 Companies Performance Update report.

The operational companies currently consist of Greensand Holdings Limited, Horley Business Park Development LLP and Pathway for Care Limited.

Overview and Scrutiny Committee scrutinised this report at its meeting on 21 October 2021. CVESC Members were asked to consider observations from Overview and Scrutiny Committee that was included in the report.

Councillor Archer, Executive Member and Portfolio Holder for Commercial and Investments told the Sub-Committee that since Overview and Scrutiny Committee reviewed the report, the 2020 Accounts for Greensand Holdings Limited and Horley Business Park Development LLP had been fully approved and both set out in the report.

Greensand Holdings Limited which is a property investment and development company, was established to facilitate the Council's property investment activities. Visiting Member, Councillor Blacker, asked a question on loan interest that had accrued as of 31 March 2021.

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Commercial Ventures Executive Sub-Committee
24 March 2022

Minutes

Portfolio Holder for Commercial and Investments, Councillor Archer, explained there were two loan funding streams in Greensands – one secured against an office building in Redhill – and the other secured against land owned by the company at Fishers Farm (part of the Horley Business Park development land). A loan to the company accrued loan interest of £1.152m as of 31 March 2021. The office building held by the company provided rental income sufficient for the company to pay interest on the loan to the Council.

RESOLVED that the Commercial Ventures Executive Sub-Committee

AGREED:

1. To note the Companies Performance Update report (Autumn 2021), and the observations of the Overview and Scrutiny Committee to support the effective consideration of the performance of companies owned or part-owned by the Council.

25. SHAREHOLDER ACTIONS - RBBC HOUSING - INDEPENDENT LIVING

The Commercial Ventures Executive Sub-Committee was asked, as shareholder representative for Reigate and Banstead Borough Council, for RBBC Housing – Independent Living (the Association) to receive and adopt the Association's unaudited Financial Statements and Directors' report for the period 1 April 2021 to 30 September 2021. This complies with the statutory requirements as set out in the Association's Rules.

The Committee was also asked to ratify the receipt and adoption of these Accounts by the Executive Member and Portfolio Holder for Investment and Companies, Councillor Archer. This was actioned by the Portfolio Holder on 13 October 2021 following a request from the Financial Conduct Authority to enable the dissolution of the Association.

The Commercial Ventures Executive Sub-Committee considered a report which made two Recommendations which were AGREED by Members of the Executive Sub-Committee.

RESOLVED that the Commercial Ventures Executive Sub-Committee agreed to:

- 1. Receive and adopt RBBC Housing – Independent Living's unaudited Financial Statements and Directors' report for the period 1 April 2021 to 30 September 2021 (Annex D); and**
- 2. Ratify the decision of the Portfolio Holder for Investment and Companies on 13 October 2021 to receive and adopt these Accounts.**

26. EXEMPT BUSINESS

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Commercial Ventures Executive Sub-Committee
24 March 2022

Minutes

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.

27. COMPANIES PERFORMANCE UPDATE - AUTUMN 2021 EXEMPT

The Sub-Committee noted the exempt information within the exempt reports and did not raise questions or concerns.

28. ANY OTHER BUSINESS

There was no other business.

The Meeting closed at 7.04 pm

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|-------------------------|---|
| Signed off by | Director of Finance and Organisation |
| Author | Kirsty Jane Hill, Democratic Services Officer |
| Telephone | Tel: 01737 276749 |
| Email | Kirsty.J.Hill@reigate-banstead.gov.uk |
| To | Commercial Ventures Executive Sub-Committee |
| Date | Thursday, 23 June 2022 |
| Executive Member | Portfolio Holder for Investment and Companies |

| | |
|------------------------------|--------------|
| Key Decision Required | N |
| Wards Affected | (All Wards); |

| | |
|----------------|--|
| Subject | Shareholder Actions - 23 June 2022: RBBC Limited |
|----------------|--|

| |
|---|
| Recommendations |
| The Commercial Ventures Executive Sub-Committee as shareholder representative for RBBC Limited, a company 100% owned by Reigate & Banstead Borough Council, are requested to receive RBBC Limited’s Directors’ Report and Unaudited Financial Statements for the year ended 30 September 2021 set out in Annex 1 attached to this agenda. |
| Reasons for Recommendations |
| <ol style="list-style-type: none"> The Commercial Ventures Executive Sub-Committee is asked to acknowledge receipt of the Directors’ Report and Unaudited Financial Statements for the year ended 30 September 2021 to allow the Committee to carry out its function as shareholder representative and monitor the activity of Reigate & Banstead Borough Council’s commercial entities. RBBC Limited’s Directors have approved the Directors’ Report and Unaudited Financial Statements for the year ended 30 September 2021 (‘the Accounts’) as required by Companies Act 2006. |
| Executive Summary |
| The Commercial Ventures Executive Sub-Committee is required to consider the actions set out in Recommendations above in its capacity as shareholder representative for RBBC |

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Limited. RBBC Limited will meet its statutory obligations under the Companies Act 2006 in respect of the Accounts and will lodge them with Companies House no later than 30 June 2022.

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

Statutory Powers

1. Section 1 of the Localism Act 2011 gives local authorities a general power of competence to do anything that individuals generally may do, where this is not prohibited by other legislation. This includes the power to set up alternative delivery vehicles to exercise its powers and duties.
2. Section 4 of the Localism Act 2011 stipulates that where in the exercise of the general power a local authority acts for a purely commercial purpose, the authority must do so through a company.
3. Companies and the rights of shareholders are governed by the Companies Act 2006.

Key Information

4. Reigate & Banstead Borough Council incorporated a company, RBBC Limited, on 30 September 2020 to preserve the name following the dissolution of one of its companies which had the name RBBC Limited.
5. As approved at Commercial Ventures Executive Sub-Committee on 30 January 2020, it was intended to use RBBC Limited for the purposes of acting as a holding company for the Council's companies to consider and commission commercial activities on behalf of the Council, including acquiring and establishing additional companies, consideration of business plans, and oversight of commercial governance arrangements.
6. As identified when the Commercial Strategy Part 2 was implemented, changes to the local government borrowing regime and the inability to invest purely for yield, meant a group company structure was probably no longer appropriate for the Council so RBBC Limited has not been utilised but can remain should a future use be identified thus preserving the name.
7. RBBC Limited is 100% owned by the Council (100 £1 ordinary shares) and is entirely inactive therefore the Accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.
8. For the year ending 30 September 2021, the company is entitled to exemption from audit under section 477 of the Companies Act 2006 as it is a small company and in accordance with Section 476 of the Companies Act 2006, the shareholder has not required the company to obtain an audit of its accounts as there has been no activity.

Options

- Option 1:** Approve the required action set out in Recommendations above in order the Committee carry out its function as shareholder representative and monitor the activity of Reigate & Banstead Borough Council's commercial entities and

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allow RBBC Limited's Directors to meet the requirements of the Companies Act 2006 in respect of the Directors' Report and Unaudited Financial Statements for the year ended 30 September 2021. This is the recommended option to ensure RBBC Limited is governed correctly and meets the statutory requirements.

Option 2: If after reviewing the required action and the Accounts, adjustments are required, the Commercial Ventures Executive Sub-Committee should request the necessary adjustments be made and approve the actions subject to those adjustments, in order RBBC Limited is governed correctly and meet its statutory requirements.

Option 3: Do not approve the required action. This is not the recommended option as not filing accounts is a criminal offence and the Directors of RBBC Limited will not be able to carry out their statutory duties and will be in breach of the Companies Act 2006. The Directors can be personally fined in the criminal courts and the company struck off the Register of Companies if accounts are not lodged with Companies House.

Legal Implications

9. The Directors can be personally fined in the criminal courts and the company struck off the Register of Companies if accounts are not lodged with Companies House.
10. Failure to pay the late filing penalty can result in enforcement proceedings. Any criminal proceedings taken as a result of non-filing of accounts is separate from, and in addition to, any late filing penalty imposed against a company for filing accounts late. The Registrar of Companies may also take steps to strike a company off the public record if these documents are delivered late.
11. Section 1 of the Localism Act 2011 provides local authorities with the power to do anything an individual may do, subject to a number of limitations. This is referred to as the 'general power of competence'. A local authority may exercise the general power of competence for its own purpose, for a commercial purpose and/or for the benefit of others; ie this includes the setting up of companies as alternative delivery vehicles to exercise its powers and duties. In exercising this power, a local authority is still subject to its general duties (such as the fiduciary duty it owes to its rate and local tax payers and to the public law requirements to exercise the general power of competence for a proper purpose).

Financial Implications

12. The RBBC Limited's Directors' Report and Unaudited Financial Statements for the year ended 30 September 2021 must be approved and lodged with the Registrar of Companies before 30 June 2022 in order to avoid late filing penalties as set out below.

Length of period

Private company penalty

(measured from the date the accounts are due)

| | |
|---|--------|
| Not more than 1 month | £150 |
| More than 1 month but not more than 3 months | £375 |
| More than 3 months but not more than 6 months | £750 |
| More than 6 months | £1,500 |

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13. This report does not have any direct financial implications for the Council. The Council's company investments are reported in its annual statement of accounts.

Equalities Implications

14. 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 Commercial Ventures Executive Sub-Committee should therefore ensure that it has regard for these duties by considering them through the course of its work.

Communication Implications

15. There are no direct communication implications arising from the recommendations of this report. However, as identified in the Commercial Governance Framework, the Commercial Ventures Executive Sub-Committee should have regard for the Local Authorities (Companies) Order 1995, which sets out the rights for authorities and individual Members to receive company specific information.

16. As mentioned in Legal implications above, the Registrar of Companies may also take steps to strike a company off the public record if these documents are delivered late which could lead to substantial reputation damage as this information would be in the public domain.

Environmental Sustainability Implications

16. The Council is committed to taking action to address environmental sustainability and climate change issues. There are no environmental sustainability implications for this report.

Risk Management Considerations

17. All commercial ventures and investment activities contain an element of risk, and the Commercial Ventures Executive Sub-Committee should consider these as part of the decision making process for any decisions relating to commercial ventures and investment activities.

18. As set out in Financial Implications above, if the accounts are not lodged with the Registrar of Companies on time, late filing fees are imposed.

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19. As set out in Legal Implications above, it should also be noted that failure to file accounts is a criminal offence which can result in directors being fined personally in the criminal courts. Failure to pay the late filing penalty can result in enforcement proceedings. Any criminal proceedings taken as a result of non-filing of accounts is separate from, and in addition to, any late filing penalty imposed against the company for filing accounts late. The Registrar may also take steps to strike the company off the public record if these documents are delivered late.

Human Resources

20. Where Council Officers are appointed as directors, it should be noted that this has resource implications.

Background Papers

21. None.

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You can use the WebFiling service to file dormant company accounts online.
Please go to www.companieshouse.gov.uk

What this is for
You may use the AA02 'Dormant company accounts' (DCA) for accounting periods beginning on or **after** 6th April 2008. Please read the guidance in Section 6 before completion.

What this is NOT for
You cannot use the AA02 if the accounting period begins before 6th April 2008.

For further information, please refer to our guidance at www.companieshouse.gov.uk

1 Company details

Company number

Company name in full

→ **Filing in the DCA**
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

2 Date of balance sheet

Date of balance sheet

3 Accounts

| | | Current Year | Previous Year |
|----------------------------------|----------------------|--------------------------------|------------------------|
| Called up share capital not paid | | £ <input type="text"/> | £ <input type="text"/> |
| Cash at bank and in hand | | £ <input type="text"/> | £ <input type="text"/> |
| Net assets | | £ <input type="text"/> | £ <input type="text"/> |
| Issued share capital | | | |
| Number of shares | Class of shares | | |
| <input type="text"/> | <input type="text"/> | of £ <input type="text"/> each | |
| | | <input type="text"/> | <input type="text"/> |
| Shareholders' fund | | £ <input type="text"/> | £ <input type="text"/> |

Statements

For the below year ending the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

For the year ending

Directors' statements:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476, and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

Please tick the box if during the year the company acted as an agent for a person.

4 Date of approval of accounts ①

Approval of accounts date

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| d | d | m | m | y | y | y | y |
|---|---|---|---|---|---|---|---|

① Please insert the date the accounts were approved by the board of directors

5 Director's signature and name ②

Signature

Signature

X

X

② Please insert the director's signature and director's name.

Director's name

6 Guidance

This guidance is on preparing dormant company accounts for a company limited by shares where its only transaction is the issue of subscriber shares and the company is not a subsidiary: for financial years beginning on or after 6th April 2008.

- a. **The attached template for dormant company accounts is only suitable for those companies limited by shares which have never traded and where the only transaction entered into the accounting records of the company is the issue of subscriber shares.**
- b. Shares may be fully paid, partly paid or unpaid: Any paid element should be shown as "Cash at Bank and in hand", Any unpaid element shown as "Called up share capital not paid".
- c. Dormant companies acting as an agent for any person must state that they have so acted in Section 3.
- d. A fee or penalty raised on the company for the payment of an annual return fee, change of name fee, reregistration fee, or late filing penalty may be omitted from the company records and this DCA—if the payment was made by a third party without any right of reimbursement.
- e. The company directors are responsible for preparing and filing accounts at Companies House that comply with the requirements of the Companies Act and failure to do so may result in prosecution. Should you have any doubt about the company's entitlement to file dormant accounts, or the preparation of those accounts, you should seek professional advice.
- f. This guidance only advises on the preparation of abbreviated dormant accounts which can be filed at Companies House. It does not advise on the preparation of full accounts for the members.

Please Note:

The total of Net Assets should equal the total of Shareholders' Funds.

- The DCA is only suitable for dormant companies where the company's only transaction is one mentioned in 'a' above and the company is not a subsidiary.
- Do not use the DCA if your company is a charity or is limited by guarantee or has no shares.
- Do not use the DCA if preparing accounts in accordance with International Accounting Standards (IAS).

AA02

Dormant company accounts (DCA)



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query. The contact information you give will be visible to searchers of the public record.

Contact name

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone



Checklist

We may return dormant company accounts completed incorrectly or with information missing.

Please make sure you have remembered the following:

- The company name and number match the information held on the public Register.
- You have entered the date of the balance sheet in Section 2.
- You have completed Section 3 correctly.
- You have entered the date of approval of the accounts in Section 4.
- A Director has signed the DCA and printed their name.
- You have read the guidance in Section 6.



Important information

Please note that all this information will appear on the public record.



Where to send

You may return the DCA to any Companies House address, however for expediency we advise you to return it to the appropriate address below:

For companies registered in England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

For companies registered in Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

For companies registered in Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

Dormant company accounts are available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

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