



Agenda

Partner, Shareholder and Trustee Executive Sub-Committee

Thursday, 22 June 2023 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:

R. Biggs (Leader)

V. H. Lewanski

A. King

R. Michalowski

Mari Roberts-Wood
Managing Director

For enquiries regarding this agenda;

Contact: 01737 276182

Email: democratic@reigate-banstead.gov.uk

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

1. Election of Chair

To elect the Chair of the Partner, Shareholder and Trustee Executive Sub-Committee for the Municipal Year 2023/24.

2. Election of Vice-Chair

To elect the Vice-Chair of the Partner, Shareholder and Trustee Executive Sub-Committee for the Municipal Year 2023/24.

3. Apologies for absence

To receive any apologies for absence.

4. Minutes of the previous meeting (Pages 5 - 8)

To approve the minutes of the previous meeting on 23 March 2023 as a correct record.

5. Declarations of interest

To receive any declarations of interest.

6. Shareholder Actions - 22 June 2023: RBBC Limited (Pages 9 - 16)

To receive RBBC Limited's Directors' annual accounts for the year ended 30 September 2022 set out in Annex 1.

7. Shareholder Actions - 22 June 2023: Board Appointments (Pages 17 - 28)

To receive a report and consider the Board appointments for 2023/24.

8. Exempt business

RECOMMENDED that members of the Press and public be excluded from the meeting for the following item of business under Section 100(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 1A of the Act; and
- (ii) The public interest in maintaining the exemption outweighs the public interest in disclosing the information.

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

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.



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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.

Minutes of a meeting of the **Partner, Shareholder and Trustee Executive Sub-Committee** held at the **New Council Chamber - Town Hall, Reigate** on **Thursday, 23 March 2023 at 6.30 pm.**

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

Visiting Members present: Councillors Essex, J. King

46 Apologies for absence

There were no apologies for absence from Committee Members.

Apologies were received from the Chairman of Overview and Scrutiny Committee, Councillor Harrison.

47 Minutes of the previous meeting

RESOLVED to approve the minutes of the previous meeting on 26 January 2023 as a correct record.

48 Declarations of interest

There were no declarations of interest.

49 Acquisition of property in Redhill

The Executive Sub-Committee received a report on proposed Acquisition of Property in Redhill. This asked the Committee to obtain authority to acquire, subject to usual due diligence, two property interests in Redhill which form part of a strategic site, the primary purpose of which is to support future regeneration objectives in the area. The additional ownerships would give the Council the majority interest in this land holding with a view to potential future developments on the site, allocated in the Development Management Plan.

Full details of the Council's offer, the financial implications and the property addresses were set out in the Exempt report in Part 2 of the agenda pack. The report was discussed in the Exempt Part 2 session due to reasons of commercial confidentiality.

Following the discussions in Part 2, the meeting resumed in public and the following resolution was voted on and agreed.

RESOLVED – that the Partner, Shareholder and Trustee Executive Sub-Committee AGREED:

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Partner, Shareholder and Trustee Executive Sub-Committee, Thursday, 23rd March, 2023

That the Chief Finance Officer in consultation with the Executive Members for Investment & Companies and Finance & Governance, be authorised to:

- (i) Acquire the Freehold and Long Leasehold properties referred to in Part 2 of this report; and
- (ii) Agree any variations to the heads of terms and to the acquisition price further to external valuation advice and due diligence investigations.

50 Greensand Holdings Limited - Funding requirement

Members received a report on Greensand Holdings Limited – Funding Requirement.

This recommended increasing the Council's equity stake in Greensands Holdings Limited. This was to ensure that Greensand Holdings Limited continued to operate on a sustainable footing while plans are developed to make sure that the value of the assets it holds is protected. Urgent and essential works were needed to its property, Crown House, Redhill, to keep it in a good state of repair for current tenants.

Details were set out in the Exempt report in Part 2 of the agenda pack. The item was discussed in Part 2 of the meeting due to reasons of commercial confidentiality.

The meeting resumed in public session and the resolution below was voted on and approved by the Executive Sub-Committee.

RESOLVED – that the Partner, Shareholder and Trustee Executive Sub-Committee AGREED:

- (i) To approve a further injection of equity funds into Greensands Holdings Limited. This will be effected by the subscription for additional ordinary shares up to the value of £1,300,000;
- (ii) That the Strategic Head of Legal and Governance, in consultation with the Chief Finance Officer and the Members of the Partner, Shareholder and Trustee Executive Sub-Committee be authorised to accept offers to subscribe for additional equity issued by the Company within agreed parameters;
- (iii) That the Strategic Head of Legal and Governance, in consultation with the Chief Finance Officer and the Members of the Partner, Shareholder and Trustee Executive Sub-Committee be authorised to undertake the transactional steps required to ensure that any additional equity is subscribed for and issued in compliance with prevailing company law;
- (iv) To receive a further report on the plans for Greensand Holdings Limited when the details are confirmed.

51 Insurance/indemnity for Council Company Member and Officer Directors/Board Representatives

Members received a report on indemnity and insurance for Members or officers who serve as Directors or Member representatives on local authority-controlled companies.

Details were set out in an exempt report discussed in Part 2 of the meeting.

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Partner, Shareholder and Trustee Executive Sub-Committee, Thursday, 23rd March, 2023

Following this item, in the public session of the meeting, a resolution was voted on and agreed as set out below:

RESOLVED – that the Partner, Shareholder and Trustee Executive Sub-Committee approves the granting of indemnities to members or officers who serve as Directors/Member Representatives (“Directors”) of a local authority-controlled company under the Local Authorities (Indemnities for Members and Officers) Order 2004; and that the Sub-Committee notes that the Council has in place or is securing insurance for Council-appointed Directors.

52 Exempt business

It was agreed that Items 4, 5 and 6 be discussed in the Part 2 (Exempt) section of the Executive Sub-Committee meeting.

The meeting was resumed in public to agree the resolutions for the three items as set out in Minutes 49, 50 and 51 of the meeting.

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 1 A of the Act: and
- (ii) The public interest in maintaining the exemption outweighs the public interest in disclosing the information.

53 Any other business

There was no other item of business discussed.

The meeting finished at 6.48 pm

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Signed off by	Chief Finance Officer
Author	Kirsty Jane Hill, Democratic Services Officer
Telephone	Tel: 01737 276749
Email	Kirsty.J.Hill@reigate-banstead.gov.uk
To	Partner, Shareholder and Trustee Executive Sub-Committee
Date	Thursday, 22 June 2023
Executive Member	Portfolio Holder for Commercial and Community Assets

Key Decision Required	N
Wards Affected	(All Wards);

Subject	Shareholder Actions - 22 June 2023: RBBC Limited
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Recommendation
The Partner, Shareholder and Trustee Executive Sub-Committee as the Council's shareholder representative are requested to receive RBBC Limited's Annual Accounts for the year ended 30 September 2022 which are set out in Annex 1 attached to this agenda.
Reasons for Recommendations
<ol style="list-style-type: none"> 1. RBBC Limited is a company 100% owned by Reigate & Banstead Borough Council. 2. The Partner, Shareholder and Trustee Executive Sub-Committee is asked to acknowledge receipt of RBBC Limited's Annual Accounts for the year ended 30 September 2022 to allow the Committee to carry out its function as shareholder representative and monitor the activity of Reigate & Banstead Borough Council's commercial entities. 3. RBBC Limited's Directors have approved its' Annual Accounts for the year ended 30 September 2022 ('the Accounts') as required by Companies Act 2006.
Executive Summary

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The Partner, Shareholder and Trustee Executive Sub-Committee is required to consider the Recommendation above in its capacity as shareholder representative for Reigate & Banstead Borough Council's owned and part-owned companies.

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 2023.

The Partner, Shareholder and Trustee 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 the Partner, Shareholder and Trustee 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. 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 2022, 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

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Option 1: Approve the required action set out in Recommendation 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 allow RBBC Limited's Directors to meet the requirements of the Companies Act 2006 in respect of the Annual Accounts for the year ended 30 September 2022.

This is the recommended option to ensure RBBC Limited is governed correctly and meets the statutory obligations.

Option 2: If after reviewing the Recommendation and the Accounts, adjustments are required, the Partner, Shareholder and Trustee Executive Sub-Committee should request the necessary adjustments be made and approve the Recommendation subject to those adjustments, in order RBBC Limited is governed correctly and meets its statutory obligations.

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 RBBC Limited 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 any 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' Annual Accounts for the year ended 30 September 2022 must be approved and lodged with the Registrar of Companies before 30 June 2023 in order to avoid late filing penalties as set out below.

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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
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	
<p>14. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:</p> <ul style="list-style-type: none"> - 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. <p>The Partner, Shareholder and Trustee Executive Sub-Committee should therefore ensure that it has regard for these duties by considering them through the course of its work.</p>	
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 Partner, Shareholder and Trustee 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	
17. 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	
18. All commercial ventures and investment activities contain an element of risk, and the Partner, Shareholder and Trustee Executive Sub-Committee should consider these as part of the decision making process for any decisions relating to commercial ventures and investment activities.	

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19. 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.
20. 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.

Background Powers

21. None.

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Company Accounts Details

Company Number	12915794
Company Name	RBBC LIMITED
Date of Balance Sheet	30/09/2022
Balance Sheet Currency	GBP - GB Pound

	Current Period
Cash at bank and in hand	£ 100.00
Net assets	£ 100.00
Issued share capital - subscriber shares	
100 Ordinary £1.00 shares	
Total payable for shares	£ 100.00
Shareholders' fund	£ 100.00

Statements and notes

- For the period ending 30 September 2022, the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.
- The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.
- These accounts have been prepared in accordance with the provision applicable to companies subject to the small companies' regime.

Authorisation

Accounts approved by the board on 10/05/2023
and signed on their behalf by Mari Elen WOOD (Director)

Signed:

Dated:

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Signed off by	Strategic Head of Legal & Governance
Author	Kirsty Jane Hill, Legal Services Officer
Telephone	Tel: 01737 276749
Email	Kirsty.J.Hill@reigate-banstead.gov.uk
To	Partner, Shareholder and Trustee Executive Sub-Committee
Date	Thursday, 22 June 2023
Executive Member	Portfolio Holder for Commercial & Community Assets

Key Decision Required	N
Wards Affected	(All Wards);

Subject	Shareholder Actions - 22 June 2023: Board Appointments
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Recommendations	
(i)	The Partner, Shareholder and Trustee Executive Sub-Committee, as shareholder representative for Greensand Holdings Limited, a company 100% owned by Reigate & Banstead Borough Council, is requested to endorse Cllr R Michalowski remaining as a Director of Greensand Holdings Limited following his appointment as a Member of the Executive and Portfolio Holder for Place, Planning and Regulatory Services;and
(ii)	The Partner, Shareholder and Trustee Executive Sub-Committee, as Partner Representative for Horley Business Park Development LLP, a company part-owned by Reigate & Banstead Borough Council, is requested to:

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- (a) **Note the resignation of the existing Reigate & Banstead Borough Council Board Representatives to Horley Business Park Development LLP as set out in the exempt report in Part 2 of this agenda; and**
- (b) **Approve the appointment of a new Board Representative for Horley Business Park Development LLP, as set out in the exempt report in Part 2 of this agenda.**

Reasons for Recommendations

Cllr R Michalowski remaining a Director to Greensand Holdings Limited is considered to be in the best interests of the company and the Council as Shareholder to the Company.

In accordance with the Members' Agreement, the Council is required to appoint Board Representatives to Horley Business Park LLP, therefore the Sub-Committee is asked to approve the proposed appointee as set out in the exempt report in Part 2 of this agenda.

Executive Summary

The Partner, Shareholder and Trustee Executive Sub-Committee is required to consider the actions set out in the Recommendations above in its capacity as Shareholder and Partner Representative for the Council's owned or part-owned companies in order that the companies can meet their constitutional obligations in respect of any conflicts of interest and the appointment of Board Representatives.

The Partner, Shareholder and Trustee 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 LLPs are governed by the Companies Act 2006; The Limited Liability Partnerships Act 2000; and The Limited Liability Partnerships Regulations 2001 (as amended principally by the Limited Liability Partnerships (Application of Companies Act 2006) Regulations 2009).

Background

4. The Partnership Shareholder and Trustee Sub-Committee has been established for the purpose of monitoring the performance of, and taking decisions on, the Council's

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existing and potential commercial ventures and other investments and reviewing the activities of the Council's charities, including monitoring their performance.

5. This includes undertaking all functions of the Council as a shareholder/partner under the Companies Act 2006 in relation to those companies or partnerships owned, or part owned by the Council.

Key Information

Conflicts of Interest

6. When voting as a Director or Board Representative on company matters, as set out in CIPFA's *'Local Authority Owned Companies: a good practice guide, 2022'*, the Council's representatives must have regard to the rules on declaring interests as set out in the Articles of Association for Greensand Holdings Limited ('the Company') and the Members' Agreement for Horley Business Park LLP ('the LLP') and on any restrictions on voting in certain circumstances.
7. The duty toward the company only applies when the individual is acting in this capacity. When at authority meetings or acting in their role as a local authority officer or elected member they must act in the best interests of the council, subject to confidentiality of information as required by the Company or the LLP.
8. When any decision relating to the Company or LLP is being considered by the Executive or the Partner, Shareholder and Trustee Executive Sub-Committee, Member Directors should, in accordance with the Lawyers in Local Government's *Code of Governance for Local Authority Interests in Companies* and Part 2(5)(3) of the Member Code of Conduct, declare such interest and not be party to making a decision of the Council affecting the company. They may provide evidence or advice to the Council on the Company or LLP's behalf when invited to do so.

Options

- Option 1:** To approve the actions as set out in Recommendations above in order to ensure that the Company and the LLP meet the requirements of their constitution.
- This is the recommended option to ensure the Council's commercial entities are governed correctly.
- Option 2:** If, after reviewing the required actions and supporting information as set out in the Part 2 exempt section of this agenda, any amendments are required, the Committee should request the necessary changes and approve the recommendations subject to those amendments, in order to ensure that the Council's commercial entities are governed correctly.
- Option 3:** To not approve the required actions.
- This is not the recommended option as the Company and the LLP will not be governed correctly.

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Legal Implications
<p>9. 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'.</p> <p>10. 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. This includes the setting up of companies as alternative delivery vehicles to exercise its powers and duties.</p> <p>11. 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).</p>
Financial Implications
<p>12. 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.</p>
Equalities Implications
<p>13. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:</p> <ul style="list-style-type: none">▪ 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. <p>14. The Partner, Shareholder and Trustee Executive Sub-Committee should therefore ensure that it has regard for these duties by considering them through the course of its work.</p>
Communication Implications
<p>15. There are no direct communication implications arising from the recommendations of this report.</p>
Environmental Sustainability Implications
<p>16. There are no direct environmental sustainability implications arising from this report.</p>
Risk Management Considerations
<p>17. All commercial ventures and investment activities contain an element of risk, and the Partner, Shareholder and Trustee Executive Sub-Committee should consider these</p>

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as part of the decision making process for any decisions relating to commercial ventures and investment activities.

Background Papers

Shareholder Actions - Board Appointments, Exempt Report to Partner, Shareholder and Trustee Sub-Committee, 22 June 2023.

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