



Signed off by	Head of Finance Head of Legal & Governance
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To	Commercial Ventures Executive Sub-Committee
Date	Thursday 18 November 2021
Executive Member	Portfolio Holder for Investment and Companies

Key Decision Required	N
Wards Affected	(All Wards);

Subject	Shareholder Actions: RBBC Housing - Independent Living
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Recommendations
<p>That the Commercial Ventures Executive Sub-Committee</p> <ol style="list-style-type: none"> 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. To ratify the decision of the Portfolio Holder for Investment and Companies on 13 October 2021 to receive and adopt these Accounts.
Reasons for Recommendations
<p>The Commercial Ventures Executive Sub-Committee are asked, as shareholder representative for Reigate and Banstead Borough Council, in respect of RBBC Housing – Independent Living (the Association) to receive and adopt the Association’s unaudited Financial Statements and Directors’ report for the period 1</p>

April 2021 to 30 September 2021 to comply with the statutory requirements as set out in the Association's Rules.

The Committee is also asked to ratify the receipt and adoption of these Accounts by the Portfolio Holder for Investment and Companies. 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 has authority to approve the above recommendations.

Statutory Powers

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.

Background

1. Following approval for the creation of a Community Benefit Society at the Commercial Ventures Executive Sub-Committee on 7 November 2019, The Association was incorporated on 7 October 2020.
2. The intention of the Association was to manage housing, including Social Housing, housing management services, associated facilities and amenities to prevent or relieve poverty and the relief of aged, disabled (whether physically or mentally) or chronically sick people and own and provide housing, including Social Housing to prevent or relieve poverty and the relief of aged, disabled (whether physically or mentally) or chronically sick people.
3. The Association has remained inactive since its creation and the Commercial Ventures Executive Sub-Committee agreed to dissolve it at its meeting on 30 September 2021.
4. Following the meeting, dissolution papers were submitted to the Financial Conduct Authority (FCA) as the body which regulates community benefit societies.

Key Information

Dissolution

5. Following receipt of the Association's Financial Statements for the period 7 October 2020 to 31 March 2021 and a dissolution application, the FCA requested a further set of Accounts for the period 1 April 2021 to 30 September 2021 in order to dissolve the Association.
6. The FCA set a deadline of 4 days to receive the additional Accounts.
7. In accordance with the Rules of the Association, shareholders are required to receive and adopt these Accounts. On the 13 October 2021, to enable

compliance of the FCA deadline, the Portfolio Holder for Investment and Companies confirmed receipt and adopted the accounts in respect of Reigate and Banstead Borough Council's shareholding in the Association.

8. The Commercial Ventures Executive Sub-Committee is now asked to ratify the Portfolio Holder's decision.

Options

- Option 1 Approve the recommendations in order that RBBC Housing – Independent Living meets its statutory responsibilities.

This is the recommended option to ensure that RBBC Housing – Independent Living is governed correctly and meets its statutory responsibilities.

- Option 2 If, after reviewing the recommendations and accounts, adjustments are required, the Commercial Ventures Executive Sub-Committee should request adjustments be made and approve the recommendations subject to those adjustments, in order that RBBC Housing – Independent Living is governed correctly and meets its statutory responsibilities.

- Option 3 To not approve the Recommendations. This is not the recommended option as RBBC Housing – Independent Living will not be compliant with its statutory duties and risk exposure to liability for breach of its statutory obligations.

Legal Implications

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. 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 taxpayers and to the public law requirements to exercise the general power of competence for a proper purpose).
10. In receiving and adopting the accounts and ratifying the decision of the Portfolio Holder, the Committee is upholding these general duties including those of transparency.

Financial Implications

11. There are no specific financial implications arising from this report.

Equalities Implications

12. . There are no equality implications arising from this report.

Communication Implications

13. There are no direct communication implications arising from the recommendations of this report.

14. 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.

Environmental Sustainability Implications

15. There are no environmental sustainability implications arising from this report.

Risk Management Considerations

16. 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. There are no specific risk management considerations arising from this report.

Background Powers

None.