

## **BOROUGH OF REIGATE AND BANSTEAD**

### **PARTNER, SHAREHOLDER AND TRUSTEE EXECUTIVE SUB-COMMITTEE**

Minutes of a meeting of the Partner, Shareholder and Trustee Executive Sub-Committee held at the New Council Chamber - Town Hall, Reigate on 26 January 2023 at 6.30 pm.

Present: Councillors T. Archer (Chair), T. Schofield and V. H. Lewanski (Vice-Chair)

Visiting Members: Councillors M. Blacker, P. Chandler, J. Essex, N. Harrison, J. King

#### **38. APOLOGIES FOR ABSENCE**

Apologies for absence from the Leader, Councillor Brunt.

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

**RESOLVED** to approve the minutes of the previous meeting on 17 November 2022 as a correct record.

#### **40. DECLARATIONS OF INTEREST**

There were no declarations of interest.

#### **41. GOVERNANCE OF COUNCIL'S CHARITABLE TRUSTS**

Chairman and Executive Member for Investment and Companies, Councillor Archer, introduced the report on the Governance of the Council's Charitable Trusts. This recommended the Committee adopts the extension of the terms of reference of the Commercial Ventures Executive Sub-Committee, renamed the Partner, Shareholder and Trustee Executive Sub-Committee, as approved by Council on 1 December 2022.

The report also recommended the Committee approves the Charities' Trustee Annual Reports and Accounts for the financial year 2021 to 2022 attached to the report; and recommends the Committee authorises the Council's finance team to submit these to the Charity Commission by 31 January 2023.

Charities registered in England or Wales must send an annual return to the Charity Commission or report their income and spending every year. The Council is sole trustee for seventeen charitable trusts. The charitable trusts and the Council's duties as trustee are set out in the report.

The recommendations, as set out in the report, allow the Council's charities to meet their legal obligations to submit an annual return and accounts.

A Committee Member asked if all the accounts had been audited prior to submission to the Charity Commission. Pat Main, Chief Finance Officer, confirmed that the requirement from the Charity Commission was for independent

examination, not audit, which is determined by the nature of the charitable trusts and income receipts each year. Four of the charitable trusts were subject to independent examination by a qualified accountant, as set out in the report, which satisfies the requirements of the Charity Commission.

A Visiting Member asked for assurance that all relevant procedures and processes had been in place historically. Joyce Hamilton, Strategic Head of Legal and Governance, confirmed that the Council has always previously submitted annual accounts on the relevant charitable trusts. Last year, the governance arrangements had been reviewed to give more visibility to the Council and wider public as set out in the report to Council, approved on 1 December 2022.

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

- (i) To approve the Council's Trustee Annual Reports (TARS) and Annual Accounts for 2021/22;
- (ii) To authorise Council's Finance Team to submit the TARS and Annual Accounts to the Charity Commission by 31<sup>st</sup> January 2023.
- (iii) To adopt the extension of the terms of reference of the Commercial Ventures Executive Sub-Committee, renamed as the Partner, Shareholder and Trustee Sub-Committee, as approved by Council on 1 December 2022.

#### **42. COMPANIES PERFORMANCE UPDATE - WINTER 2022**

Members received the twice-yearly report which provides an overview of the performance of companies owned or part-owned by the Council. It is prepared on a biannual basis as part of the governance oversight of the Council's investments and was reviewed by the Overview and Scrutiny Committee on 8 December 2022.

Their observations were discussed in that meeting's Exempt discussions and are now included in the Exempt report to the agenda this evening.

There are three active companies which the Council owns, or part-owns and these are:

- Greensand Holdings Limited, a property investment and development company wholly owned by the Council, which owns an office building and a plot of development land;
- Horley Business Park Development Limited Liability Partnership (LLP), a joint venture to bring forward planning for and development of the proposed Horley Business Park. The Council is a partner of this LLP; and
- Pathway for Care Limited, a supported living provider, of which the Council is a minority shareholder.

The report contains information on these companies, the Council's financial involvement with them, and an overview of their recent performance from the Council's perspective.

Councillor Archer responded to questions raised regarding the companies and noted that any commercially sensitive matters may need to be discussed in private.

There were no questions from Committee members.

A Visiting Member asked about recent changes to local government guidance on commercial investments and asked for more detail on how this might impact the performance of the companies owned or part-owned by the Council such as Greensand Holdings Limited.

The Chief Finance Officer gave an overview of the key changes in government regulations both in terms of a local authority's ability to borrow from the Public Works Loans Board (PWLB) and the criteria and types of activity that councils are allowed to borrow to fund. PWLB funding is available for creation of assets for operational service delivery and to support regeneration of a local authority's assets in a local area.

This followed a shift in central government's funding strategy to local government in recent years as a response to a few high profile local authorities nationally who were exposed to risk in this area. Councils are no longer eligible to borrow to fund purely commercial activities to generate income. In summary, it was a very different position from a few years ago when funding was more freely available to invest in commercial assets.

Further information was set out in the Council's Capital Investment Strategy and Treasury Management Strategy.

**RESOLVED – that the Partner, Shareholder and Trustee Executive Sub-Committee agreed to note the Companies Performance Update – Winter 2022 as set out the report.**

**RESOLVED – that the Partner, Shareholder and Trustee Executive Sub-Committee agreed to note the Companies Performance Update – Winter 2022 exempt report and observations of the Overview and Scrutiny Committee from the exempt Part 2 section of its meeting on 8 December 2022.**

#### **43. GREENSAND HOLDINGS LIMITED - FUNDING REQUIREMENT**

As noted at the start of the meeting, this item was withdrawn from the agenda at the meeting pending further advice. This agenda item will be brought to a future meeting of this Committee.

#### **44. EXEMPT BUSINESS**

**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 12A of the Act as the information in the report relates to the financial or business affairs of the authority; and
- (ii) The public interest in maintaining the exemption outweighs the public interest in disclosing the information.

#### **45. ANY OTHER BUSINESS**

There was no other business.

The Meeting closed at 6.55 pm