

BOROUGH OF REIGATE AND BANSTEAD
COMMERCIAL VENTURES EXECUTIVE SUB-COMMITTEE

Minutes of a meeting of the Commercial Ventures Executive Sub-Committee held at the Executive Meeting Room - Town Hall on 30 January 2020 at 6.30 pm.

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

Also present: Councillors M. S. Blacker, J. C. S. Essex, N. D. Harrison and S. McKenna.

65. MINUTES OF THE PREVIOUS MEETING

RESOLVED to approve the minutes of the meeting held on 5 December 2019 as a correct record.

66. APOLOGIES FOR ABSENCE

There were no apologies for absence.

67. DECLARATIONS OF INTEREST

There were no declarations of interest.

68. JOINT VENTURE - RAVEN HOUSING TRUST AND REIGATE AND BANSTEAD BOROUGH COUNCIL

Councillor T Archer, Portfolio Holder for Investment and Companies, presented the 'Joint Venture - Raven Housing Trust and Reigate and Banstead Borough Council' report.

The CVESC discussed how the joint venture would be structured and it was noted that further advice would be sought to fully establish the tax implications. It was also noted that, once established, the joint venture would consider each prospect separately to establish the social/affordable/market housing opportunities at each site and would seek the necessary approval for each project using the commercial venture checklist where appropriate as not all projects would be commercial.

Councillor M Brunt confirmed his support for the Council to work with Raven.

RESOLVED that the Head of Legal and Governance, in consultation with the Director of People and the members of the Commercial Ventures Executive Sub-Committee and Executive Member(s) with responsibility for Housing, be authorised to finalise terms for and establish a Joint Venture Limited Liability Partnership between Reigate and Banstead Borough Council and Raven Housing Trust, in line with the objectives set out in the report.

Reason for decision: The recommended action would facilitate effective future joint working between Reigate and Banstead Borough Council and Raven Housing

Trust to deliver housing, particularly affordable housing, in the borough, thereby supporting the objectives of the Council's Corporate Plan and Housing Delivery Strategy.

Alternative options: To authorise the Head of Legal and Governance to negotiate with RHT to establish a different delivery model, or not authorise the Head of Legal and Governance to finalise terms for and establish a Joint Venture Limited Liability Partnership between the Council and RHT.

69. ACQUISITION OF PROPERTY IN EARLSWOOD AND WHITEBUSHES

Councillor T Archer, Portfolio Holder for Investment and Companies, presented the report on the Acquisition of Property in Earlswood and Whitebushes and explained that financial details of the acquisition were set out in the exempt report in the Part 2 section of the agenda.

The CVESC discussed the scope of the acquisition and in response to a question from a visiting Member about the possibility of flooding, it was noted that appropriate due diligence would be carried out which would include a flood risk assessment.

RESOLVED that:

- i) subject to satisfactory due diligence, the Head of Legal and Governance, in consultation with the Head of Finance and Assets and members of the Commercial Ventures Executive Sub-Committee, be authorised to:
 - (a) Acquire the freehold/leasehold of the properties in Earlswood and Whitebushes as detailed in the exempt Part 2 of the report; and
 - (b) Fund the acquisition and supporting costs from the funding allocated within the approved capital programme for investment in capital schemes to support delivery of the Corporate Plan, Housing delivery Strategy and Investment Strategy.

Reason for decision: To assist in the achievement of the Council's place-shaping and commercial objectives as set out in the Council's five year Corporate Plan.

Alternative options: To not authorise the acquisition and not deliver against a number of people and place priorities and not generate income for the Council.

70. INVESTMENT AND COMPANY GOVERNANCE AND RESOURCING

Councillor T Archer, Portfolio Holder for Investment and Companies, presented the Investment and Company Governance and Resourcing report and in response to a query from a visiting Member it was explained that the commercial structure would evolve to meet the needs of the Council's developing commercial investment.

RESOLVED that:

- (i) the Head of Legal & Governance, in consultation with the members of the Commercial Ventures Executive Sub-Committee, be authorised to establish a company, and undertake all necessary supporting actions, for the purposes

of acting as a holding company 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.

- (ii) shareholder consent be granted for the acquisition of the Council's existing stake in Greensand Holdings Limited and RBBC Limited by the new holding company to be established under recommendation (i) on behalf of Greensand Holdings Limited, RBBC Limited, and the new holding company once established, subject to approval of the terms of acquisition by the Head of Legal and Governance, in consultation with the members of the Commercial Ventures Executive Sub-Committee.
- (iii) the Head of Legal and Governance be authorised to undertake necessary steps to recruit suitably qualified directors from the elected membership of the Council to serve on the Boards of the proposed holding company that she be authorised to recruit for suitably qualified directors for all existing and future subsidiaries as set out in this report, such appointments to include non-executive directors.
- (iv) the Commercial Ventures Executive Sub-Committee's support for additional staffing resources being provided for the Council's investment and commercial activities be noted.
- (v) the Employment Committee be asked to agree the creation of and recruitment to a new post of Commercial Director.

Reason for decision: It is essential this change to our organisation structure is made to ensure it remains fit for purpose and is capable of delivering the Council's vision and priorities. The recommendations are the logical next step on that journey now the Council has examined best practice at other authorities. These proposals ensure that the revised commercial governance structure will be transparent but also able to move at pace to take advantage of commercial opportunities that arise.

Alternative options: If, after reviewing the Recommendations and supporting report, adjustments are required, the Commercial Ventures Executive Sub-Committee should request the necessary adjustments be made and approve the actions subject to those adjustments, or do not approve the Recommendations.

71. SHAREHOLDER ACTIONS - 30 JAN 2020

There were no items to be considered.

72. INVESTMENT OPPORTUNITIES - 30 JAN 2020

There were no items to be considered.

73. PROPERTY ACQUISITIONS AND DISPOSALS - 30 JAN 2020

There were no items to be considered.

74. LOANS, GRANTS AND DRAW DOWN AGREEMENTS - 30 JAN 2020

There were no items to be considered.

75. ANY OTHER BUSINESS

None.

76. 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; and
- ii. the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

77. JOINT VENTURE - RAVEN HOUSING TRUST AND REIGATE AND BANSTEAD BOROUGH COUNCIL - EXEMPT

RESOLVED that the exempt information in relation to the Joint Venture – Raven Housing Trust and Reigate and Banstead Borough Council be noted.

78. ACQUISITION OF PROPERTY IN EARLSWOOD AND WHITEBUSHES - EXEMPT

RESOLVED that the exempt information in relation to the Acquisition of property in Earlswood and Whitebushes be noted.

79. SHAREHOLDER ACTIONS - 30 JAN 2020 (EXEMPT)

There was no exempt business to be considered under this agenda item.

80. INVESTMENT OPPORTUNITIES - 30 JAN 2020 (EXEMPT)

There was no exempt business to be considered under this agenda item.

81. PROPERTY ACQUISITIONS AND DISPOSALS - 30 JAN 2020 (EXEMPT)

There was no exempt business to be considered under this agenda item.

**82. LOANS, GRANTS AND DRAW DOWN AGREEMENTS - 30 JAN 2020
(EXEMPT)**

There was no exempt business to be considered under this agenda item.

The Meeting closed at 7.04 pm