

EXECUTIVE SHAREHOLDER AND TRUSTEE COMMITTEE

- * Councillor Joss Bigmore (Chairman)
- * Councillor Julia McShane (Vice-Chairman)

* Councillor John Redpath

*Present

Action By

24. APOLOGIES FOR ABSENCE AND NOTIFICATION OF REPLACEMENTS

25. DISCLOSURE OF INTERESTS

26. MINUTES

The minutes of the meeting held on 4th January 2022 were confirmed as a correct record. The Chairman signed the minutes.

27. GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED AND NORTH DOWNS HOUSING LIMITED - VARIATION OF THE FINANCIAL ARRANGEMENTS

North Downs Housing Limited (NDHL) was the wholly owned housing company established by the council in 2016, together with its parent company Guildford Borough Council Holdings Limited (GBCH). The council was the sole shareholder in GBCH and the company was funded by the grant of a 25-year secure variable rate loan of £1.44 million and the investment of £0.96 million in equity shares to be drawn down alongside the loan. On 18 July 2017, the Executive approved the business plan for NDHL and the investment of £22 million on a 60/40 loan/equity investment split.

Claire Morris

Over time the company had grown and it had become necessary to review the funding arrangements. It was also necessary to request an updated business plan from NDHL in order to understand future funding requirements. The committee considered a report providing a summary of progress to date and which sought a variation to the financing arrangement originally proposed. There were no financial implications for the council as the budgets had already been approved.

The committee was in agreement with the proposals and consequently,

RESOLVED:

1. To approve the increase in the 25-year secure variable loan to NDHL to £15.18million.
2. To approve the investment of £9.22million in equity shares in

GBCH, to be drawn down alongside the loan to NDHL, of which £7,786,408 has already been invested.

3. To request that GBCH corrects the position in relation to the shares issued to the Council and the shareholdings in NDHL to address the issues as set out in paragraph 4 of the report.
4. To request an updated Business Plan from NDHL to cover future funding.

Reason:

To fulfil the Council's corporate governance duties in respect of its subsidiary company.

The meeting finished at 6.07 pm

Signed

Date

Chairman