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Contact Officer:

John Armstrong, Democratic Services &
Elections Manager

13 September 2022

Dear Councillor

Your attendance is requested at a meeting of the **EXECUTIVE SHAREHOLDER AND TRUSTEE COMMITTEE** to be held in the Council Chamber, Millmead House, Millmead, Guildford, Surrey GU2 4BB on **THURSDAY, 22 SEPTEMBER 2022** at 6.00 pm.

Yours faithfully

Tom Horwood
Joint Chief Executive
Guildford & Waverley
Borough Councils

MEMBERS OF THE EXECUTIVE SHAREHOLDER AND TRUSTEE COMMITTEE

Chairman:

Councillor Joss Bigmore (Leader of the Council)

Vice-Chairman:

Councillor Julia McShane (Deputy Leader of the Council)

Councillor John Redpath

Replacement Members:

Councillor Tim Anderson

Councillor Tom Hunt

Councillor John Rigg

Councillor James Steel

Councillor Cait Taylor

WEBCASTING NOTICE

This meeting will be recorded for live and/or subsequent broadcast on the Council's website in accordance with the Council's capacity in performing a task in the public interest and in line with the Openness of Local Government Bodies Regulations 2014. The whole of the meeting will be recorded, except where there are confidential or exempt items, and the footage will be on the website for six months.

If you have any queries regarding webcasting of meetings, please contact Committee Services.

QUORUM 3



THE COUNCIL'S STRATEGIC FRAMEWORK (2021- 2025)

Our Vision:

A green, thriving town and villages where people have the homes they need, access to quality employment, with strong and safe communities that come together to support those needing help.

Our Mission:

A trusted, efficient, innovative, and transparent Council that listens and responds quickly to the needs of our community.

Our Values:

- We will put the interests of our community first.
- We will listen to the views of residents and be open and accountable in our decision-making.
- We will deliver excellent customer service.
- We will spend money carefully and deliver good value for money services.
- We will put the environment at the heart of our actions and decisions to deliver on our commitment to the climate change emergency.
- We will support the most vulnerable members of our community as we believe that every person matters.
- We will support our local economy.
- We will work constructively with other councils, partners, businesses, and communities to achieve the best outcomes for all.
- We will ensure that our councillors and staff uphold the highest standards of conduct.

Our strategic priorities:

Homes and Jobs

- Revive Guildford town centre to unlock its full potential
- Provide and facilitate housing that people can afford
- Create employment opportunities through regeneration
- Support high quality development of strategic sites
- Support our business community and attract new inward investment
- Maximise opportunities for digital infrastructure improvements and smart places technology

Environment

- Provide leadership in our own operations by reducing carbon emissions, energy consumption and waste
- Engage with residents and businesses to encourage them to act in more environmentally sustainable ways through their waste, travel, and energy choices
- Work with partners to make travel more sustainable and reduce congestion
- Make every effort to protect and enhance our biodiversity and natural environment.

Community

- Tackling inequality in our communities
- Work with communities to support those in need
- Support the unemployed back into the workplace and facilitate opportunities for residents to enhance their skills
- Prevent homelessness and rough-sleeping in the borough

AGENDA

ITEM NO.

1 APOLOGIES FOR ABSENCE AND NOTIFICATION OF REPLACEMENTS

2 DISCLOSURE OF INTERESTS

In accordance with the Councillors' Code of Conduct, a councillor is required to disclose at the meeting any disclosable pecuniary interest (DPI) that they may have in respect of any matter for consideration on this agenda. Any councillor with a DPI must not participate in any discussion or vote regarding that matter and they must also withdraw from the meeting immediately before consideration of the matter.

If that DPI has not been registered, the councillor must notify the Monitoring Officer of the details of the DPI within 28 days of the date of the meeting.

Councillors are further invited to disclose any non-pecuniary interest which may be relevant to any matter on this agenda, in the interests of transparency, and to confirm that it will not affect their objectivity in relation to that matter.

3 MINUTES (Pages 5 - 6)

To confirm the minutes of the meeting of the Committee held on 23 June 2022 as a correct record.

4 THE FUTURE OF GUILDFORD BOROUGH HOLDINGS (Pages 7 - 10)

Key Decisions:

Any item on this agenda that is marked with an asterisk is a key decision. The Council's Constitution defines a key decision as an executive decision which is likely to result in expenditure or savings of at least £200,000 or which is likely to have a significant impact on two or more wards within the Borough.

Under Regulation 9 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, whenever the Executive intends to take a key decision, a document setting out prescribed information about the key decision including:

- the date on which it is to be made,
- details of the decision makers,
- a list of the documents to be submitted to the Executive in relation to the matter,
- how copies of such documents may be obtained

must be available for inspection by the public at the Council offices and on the Council's website at least 28 clear days before the key decision is to be made. The relevant notice in respect of the key decisions to be taken at this meeting was published as part of the Forward Plan on 2021.

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Executive Shareholder and Trustee Committee

Councillor Joss Bigmore (Chairman)

Councillor Julia McShane *

* Councillor John Redpath *

Present *

Action By

6. Apologies for absence and notification of replacements

Apologies for absence were received from Councillor Joss Bigmore. Councillor Bigmore was replaced at the meeting by Councillor James Steel.

7. Disclosure of interests

There were no disclosures of interest.

8. Minutes

The minutes of the meeting held 26 May 2022 were approved as correct. The Chairman signed the minutes.

9. Allen House Grounds, Guildford

Allen House Grounds were bequeathed to the Council over 100 years ago by the then owner for use as a public recreation ground. The land was subject to restrictive covenants prohibiting the production, sale, and consumption of alcohol and the land could only be used for the purpose of public walks and pleasure grounds which benefit the inhabitants of the borough. Due to the charitable status of the land, any income generated by Allen House Grounds must be used in the best interests of the charity and the land's purpose.

Stephen
Benbough

Allen House Grounds was a good location for community events that were enjoyed by and of benefit to residents. Such events would generate income to help maintain the park to high standards for visitors. It was proposed that it would be in the best interests of the trust to permit events serving alcohol, subject to all necessary licencing requirements being met. The Council had been unable to trace descendants of the original owner to negotiate the release of the restrictive covenants, and it was proposed that an indemnity insurance be taken out against any potential claims relating to alcohol being served at the site.

The Committee noted that the cost of the indemnity insurance would cost the Council around £200 per annum. The Committee,

Resolved:

1. That consent be given to holding events that include the sale and consumption of alcohol at Allen House Grounds, Guildford.
2. That indemnity insurance be taken against potential claims relating to the restrictive covenants prohibiting the sale and consumption of alcohol at Allen House Grounds.

Reason:

To permit events involving the sale and consumption of alcohol at Allen House Grounds, which will generate income for the trust and help fund the upkeep of the park.

The meeting finished at 6.07 pm

Signed

Date

Chairman

Executive Shareholder and Trustee Committee Report

Ward(s) affected: All

Report of Joint Strategic Director of Transformation and Governance

Author: Ian Doyle

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Email: ian.doyle@guildford.gov.uk

Lead Councillor responsible: Joss Bigmore

Tel: 07974 979369

Email: joss.bigmore@guildford.gov.uk

Date: 22 September 2022

The Future of Guildford Borough Council Holdings

Executive Summary

Guildford Borough Council Holdings is a wholly owned company set up in 2016 as the parent company of North Downs Housing Limited. This report provides a summary of the current position and seeks authority to take steps to wind-up Guildford Borough Council Holdings, transferring the ownership of North Downs Housing Limited to the Council.

Recommendation to Committee

That the Committee:

1. Delegate authority to the Joint Strategic Director of Transformation and Governance in consultation with the Monitoring Officer and Leader of the Council the power to take all steps necessary to implement the winding-up of Guildford Borough Council Holdings and to enter all agreements necessary to enable this matter to be completed.

Reason(s) for Recommendation:

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

Is the report (or part of it) exempt from publication? No

1. Purpose of Report

- 1.1 The purpose of this report is to set out the options for the future of Guildford Borough Council Holdings and to seek approval to the winding-up of the company.

2. Strategic Priorities

- 2.1 GBCH is the holding company of NDHL which supports all the Council's strategic priorities set out in the framework and at present particularly supports homes and jobs by providing and facilitating housing that people can afford.

3. Background

- 3.1 On 23 February 2016, the Executive resolved to establish North Downs Housing Limited ("NDHL") and the parent company Guildford Borough Council Holdings ("GBCH"). The Council is the sole shareholder in GBCH.
- 3.2 The advice sought by the Council in 2016 recommended that the Council considered establishing different companies for different projects or purposes to minimise the risk if one project was not successful. It was therefore resolved to establish one company for the purpose of acquisition and management of housing and a holding company to act as a parent company should further companies be necessary for specific development projects in the future.
- 3.3 Since the establishment of GBCH only NDHL has been set up and there are no current proposals for any further companies. GBCH is currently financed solely through share equity and the Council currently holds 9150049 shares. The Board of Directors consists of Ian Doyle, Tim Anderson and Dennis Booth and they meet on an as needed basis to deal with the governance matters for both GBCH and as shareholder of NDHL.
- 3.4 GBCH is the sole shareholder in NDHL and holds 9146029 shares. Following the winding up of GBCH, NDHL will be a direct subsidiary of the Council and consideration will need to be given as to the continuing governance. Further advice will need to be obtained as to:
- a. revision of the
 - b. day-to-day operation
 - c. composition of the Board of directors
 - d. reporting responsibilities
 - e. delegation matrix
 - f. specific objects

4. Consultations

- 4.1 No consultations have been undertaken in relation to this report.

5. Key Risks

- 5.1 It is important that appropriate governance arrangements are in place for both GBCH and trading entities such as NDHL. The Council's relationship with NDHL and the funding mechanisms need to be clear and transparent and a direct relationship will assist with this.

6. Financial Implications

- 6.1 There are costs associated with the winding-up of GBCH and it is anticipated that the legal costs for the Council will be in the region of £6,000. It is also anticipated

that there will be legal costs to GBCH of £10,000 and to NDHL of £15,500. This is to ensure that all appropriate and necessary steps are taken and the matters listed in paragraph 3.4 are addressed.

- 6.2 There will be a saving to the Council through the operational costs of GBCH and the investment to ensure the clear and transparent operation of NDHL is essential.

7. Legal Implications

- 7.1 The Council, acting through the Executive Shareholder and Trustee Committee, has the power to operate and manage GBCH using the General Power of Competence under s1 of the Localism Act 2011. In exercising its powers over GBCH, the Council remains subject to its general duties, such as its fiduciary duty, and must exercise the power with a proper purpose.
- 7.3 GBCH can be dissolved under the voluntary strike off procedure set out in the Companies Act 2006.

8. Human Resource Implications

- 8.1 No Human Resource implications apply to this report.

9. Equality and Diversity Implications

- 9.1 This duty has been considered in the context of this report and it has been concluded that there are no equality and diversity implications arising directly from this report

10. Climate Change/Sustainability Implications

- 10.1 No Climate Change and Sustainability Implications apply to this report

11. Executive Advisory Board comments

- 11.1 Not applicable

12. Suggested issues for overview and scrutiny

- 12.1 Not applicable

13. Summary of Options

- 13.1 The Committee may
- a. Approve the proposed winding up of GBCH – this provides good governance recognising that the function of GBCH as holding company of a number of companies is not required.

- b. Not approve the proposed winding up of GBCH – this does not achieve the Council’s objectives as the Council will be continuing to fund the holding company for no gain.

14. Conclusion

14.1 The Committee is asked:

- 1. Delegate authority to the Joint Strategic Director of Transformation and Governance in consultation with the Monitoring Officer and Leader of the Council the power to take all steps necessary to implement the winding-up of Guildford Borough Council Holdings and to enter all agreements necessary to enable this matter to be completed.

15. Background Papers

Executive Report 23 February 2016 ‘Establishment of North Downs Housing Ltd: a Local Authority Wholly Owned Housing Company’

16. Appendices

None