

Guildford Borough Council

Report to:	Executive Shareholder and Trustee Committee (the “Committee”)
Date:	28 November 2024
Ward(s) affected:	All
Report of Strategic Director of:	Finance and Resources (s.151)
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Status:	Open
Key decision:	No

A review of the objectives and arrangements for Guildford Sportsground Management Company

1.0 Executive Summary

- 1.1 This report relates to Guildford Sportsground Management Company Limited (**ManCo**) a company registered at Companies House with registration number 11914517 and incorporated on 29 March 2019. It is a company limited by guarantee and its members are the Council, Surrey County Cricket Club (**SCCC**) and Guildford Cricket Club (**GCC**).
- 1.2 At the meeting of the Committee held on 8 August 2024, the Committee resolved, amongst other things, to receive a report in November 2024 from the Lead Officer for the Company reviewing the objectives and arrangements for the future of the Company. This report provides a summary of the current position.

2.0 Recommendations to Executive Shareholder and Trustee Committee

That the Committee resolves to:

2.1 receive a further report from the Lead Officer in March 2025 providing a copy of the accounts and business case.

3.0 Reasons for Recommendations

3.1 To enable the Council to fulfil its duties in respect of the shareholder function competently, robustly and transparently.

3.2 To enable the Council to fulfil its duties in respect of best value and continuous improvement in respect of its interests and to keep under review the objectives, strategies and plans, and performance of each company.

3.3 To fulfil the Council's corporate governance duties in respect of ManCo.

4.0 Status of Report

This report is open as no parts fall within schedule 12A to the Local Government Act 1972 regarding exempt information.

5.0 Strategic Priorities

The Council's Corporate Strategy 2024-2028 includes a strategic priority of having a resilient and well-managed council. The management of the shareholder function and fulfilling the Council's corporate governance duties in respect of the Council's corporate interests supports that priority.

6.0 Background

1.1. Guildford Pavilion is owned by Guildford Sports Ground ("the Charity") (registered charity number 305056) of which the Council is the sole corporate trustee.

- 1.2. Guildford Pavilion consists of a sports pavilion, car park and pitch with associated stands and storage. It was refurbished in late 2018 and opened in early 2019, funded by the sale of a redundant Groundsman's Cottage on the site and grants from Surrey County Cricket Club (**SCCC**) of £250,000 and Guildford Cricket Club (**GCC**)£10,000. It is the home of GCC and SCCC.
- 1.3. Guildford Sportsground Management Company (ManCo) was incorporated on 29 March 2019. It is a company limited by guarantee and its members are this Council, SCCC and GCC and employs a number of staff to deliver services. The ManCo are responsible for the day to day management of the facilities, booking and overseeing events. The objective of this company is to promote the site and book events. These events were envisaged to balance off the costs of running the facility.
- 1.4. External legal advice and Charity Commission approval was received in relation to the structure which involves a lease from this Council as corporate trustee and a separate management agreement that also places responsibility on to this Council to provide a management fee of £100,000 per year.
- 1.5. The chair of the board of Directors, who is one of the SCCC appointed Directors, has recently resigned which is due to take effect in January 2025. Ian Doyle has also resigned as a Council appointed Director. It is therefore important for the Council to appoint three suitable Directors for the ManCo as soon as possible. Delegated authority has already been given to the Joint Chief Executive and it is envisaged that the wider piece of work should assist in identifying appropriate individuals.
- 1.6. The General Manager of ManCo has also recently resigned and arrangements will need to be made to ensure the recruitment process is robust. The positive contribution that they have made during their employment is noted and the ManCo have put in place interim cover until the recruitment process has been completed.
- 1.7. No substantive reports have been received from the ManCo for some time but it is acknowledged that they are up to date with all filings at Companies House. It is therefore recommended that a further

detailed report is provided in March 2025 including the business case.

7.0 Options

7.1 The Committee could choose not to receive a further report but this would mean that there was no update about the operation of the ManCo and not be an appropriate level of oversight:

7.2 Choosing to receive a further report will enable the Council to consider its position and review the arrangements.

8.0 Consultation

8.1 Consultation has taken place with the council's Executive as a whole at an Executive briefing meeting held on 20 November 2024.

8.2 Consultation has taken place with all members of the council's Corporate Leadership Board ("CLB"), on 15 November 2024 and with the Council's Statutory Officers and their deputies.

9.0 Key Risks

9.1 Without receiving regular reports consideration cannot be given as to whether the ManCo is delivering for the Council against its objectives and making sufficient progress. There is a risk of financial implications and that the Council cannot satisfy its legal duty to best value. There is a risk that the Council may not be satisfying its legal responsibilities in respect of the shareholder function.

10.0 Legal and Governance Implications

10.1 There are risks to the Council presented by an apparent lack of governance. It is recommended that there is clear separation of responsibilities and reporting as envisaged by the legal documentation is put in place as soon as possible.

10.2 Failure by the Council to properly consider the financial position could be a breach of statutory duties as a trustee of the Charity, as a member of the Company and could also result in the Council breaching the Subsidy Control Act 2022.

10.3 It should be noted that unless one of the parties to the lease or Management Agreement are in breach there are very limited circumstances in which the agreements can be terminated. It is therefore important that the mechanisms for review and monitoring are carefully implemented.

11.0 Financial Implications

11.1 The financial implications are set out in the body of the report.

12.0 Human Resources Implications

There are no direct human resources implications arising from this report. Appointment as a director is done on a completely voluntary basis.

13.0 Equality and Diversity Implications

Not applicable.

14.0 Climate Change and Sustainability Implications

Not applicable.

15.0 Next Steps

15.1 The Lead Officer will follow up the appointment of new Directors, recruitment of a General Manager and liaise with the ManCo to ensure full reports are available for the March 2025 meeting.

16.0 Background Papers

16.1 None for the purposes of this report.

17.0 Appendices

None

Report clearance progress:

Your report will not be published by democratic services unless the below is completed and there is evidence of the correct clearance process.

This box must not be deleted and will be published with the report

Finance	Richard Bates	20.11.2024
Legal & Governance	Claire Beesly	20.11.2024
Human Resources	Francesca Chapman	Insert date cleared
Equalities	Francesca Chapman	Insert date cleared
Strategic Director	Ezra Wallace	20.11.2024