

NORTH HERTFORDSHIRE DISTRICT COUNCIL

**CABINET SUB-COMMITTEE
(LOCAL AUTHORITY TRADING COMPANIES' SHAREHOLDER)**

**MEETING HELD IN THE ROOMS 2/3, DISTRICT COUNCIL OFFICES,
LETCWORTH GARDEN CITY
ON WEDNESDAY, 11TH SEPTEMBER, 2019 AT 11.00 AM**

MINUTES

Present: *Councillors Ian Albert, Paul Clark and Keith Hoskins*

In Attendance: *Steve Crowley (Service Director - Commercial), Ian Couper (Service Director - Resources) and Hilary Dineen (Committee, Member and Scrutiny Manager)*

1 ELECTION OF A CHAIRMAN

Audio recording – Session 1 – 12 seconds

The Committee, Member and Scrutiny Manager asked for nominations for the position of Chairman of the Cabinet Sub-Committee (Local Authority Trading Companies' Shareholder) for the remainder of the 2019/20 Civic Year.

It was proposed by Councillor Keith Hoskins, seconded by Councillor Paul Clark and:

RESOLVED: That Councillor Ian Albert be elected as Chairman of the Cabinet Sub-Committee (Local Authority Trading Companies' Shareholder) for the remainder of the 2019/20 Civic Year.

2 APOLOGIES FOR ABSENCE

Audio recording – Session 1 - 41 seconds

There were no apologies for absence

3 MINUTES - 15 MARCH 2018

Audio Recording – Session 1 - 46 seconds

RESOLVED: That, it be noted that none of the Members present today were at the meeting held on 15 March 2019 however, the Minutes of the Meeting of the Committee held on 15 March 2018 be approved as a true record of the proceedings and be signed by the Chairman.

4 NOTIFICATION OF OTHER BUSINESS

Audio recording – Session 1 – 1 minute 15 seconds

There was no other business notified.

5 CHAIRMAN'S ANNOUNCEMENTS

Audio recording – Session 1 – 1 minute 18 seconds

- (1) The Chairman advised that, in accordance with Council Policy, the meeting would be audio recorded;
- (2) The Chairman drew attention to the item on the agenda front pages regarding Declarations of Interest and reminded Members that, in line with the Code of Conduct, any Declarations of Interest needed to be declared immediately prior to the item in question.

6 PUBLIC PARTICIPATION

Audio recording – Session 1 – 1 minute 27 seconds

There were no presentations by the public.

7 TRADING COMPANY UPDATE

Audio recording – Session 1 – 2 minutes 33 seconds

Councillor Paul Clark queried whether declarations of interest were needed as the Members of the Sub-Committee were also residents in the District.

The Committee, Member and Scrutiny Manager advised that all Councillors were residents and that the business of the Council had to continue.

The Service Director – Commercial presented the report entitled Trading Company Update and drew attention to the following:

- Paragraph 7.1 set out the background;
- The business case was included in the Part 2 papers;
- Paragraph 8.4 explained that there was not sufficient financial tolerance to make a company viable;
- Paragraph 8.5 gave the reasons that the financial modelling did not offer financial security;
- The Directors agreed that it did not make sense to register the company at this time;
- Officers were investigating other opportunities to see if the financial viability could be improved;
- If financial viability can be improved a report would be brought to this Committee to seek approval to set up the company;
- The aim was to register the company in time to be ready to trade when the Harkness Court renovations were complete;
- The company name had been selected following staff and Councillor suggestions and the Internet domain name had been purchased, although the name would not be announced until the company had been registered;
- The Council could still generate income even without a company.

The following Member asked questions:

- Councillor Paul Clark:

The Service Director - Commercial responded to questions as follows:

- The Council could consider becoming an Registered Social Landlord and take on any social housing allocated as part of planning applications, but this option had not been looked at or costed;
- They were currently looking to find opportunities relating to what the Council already owned or could buy.

The Service Director – Resources advised that:

- If the financial modelling demonstrated that it would be difficult to make a profit when charging market rates for rented properties, it would be all the more difficult if charging social rent rates unless the number of properties was increased.

The Part 1 discussion was suspended whilst the Part 2 report was considered (Minute 9 refers)

Audio recording – Session 2 – 5 seconds

Following consideration of the Part 2 report the Sub-Committee returned to Part 1 to make the decision.

The Service Director Commercial advised that he would be making a presentation on this subject to the Overview and Scrutiny Committee on 17 September 2019.

RESOLVED:

- (1) That the content of the report entitled Trading Company Update be noted:
- (2) That the Service Director – Commercial be requested to start investigations into the option of taking on and operating social housing offered through Planning obligations;
- (3) That the Service Director Commercial be requested to keep Member of the Sub-Committee apprised of progress regarding further work in this area.
- (4) That the Service Director – Commercial be requested to convene another meeting of this Sub-Committee to discuss progress regarding further work in this area.

REASON FOR DECISIONS: To keep Members informed on the progress in setting up a trading company.

8 **EXCLUSION OF PRESS AND PUBLIC**

Audio recording – Session 1 – 16 minutes 47 seconds

RESOLVED: That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the said Act (as amended).

9 **TRADING COMPANY UPDATE**

Audio Recording - The report being considered was a Part 2 report, therefore no audio recording was made.

The Service Director – Resources presented the report entitled Trading Company Update together with the following appendices:

- Appendix A - Draft Business Case;
- Appendix B - Draft Articles of Association.

A detailed discussion took place with the following Members asking questions and taking part in the debate:

- Councillor Paul Clark;
- Councillor Ian Albert;
- Councillor Keith Hoskins.

RESOLVED:

- (1) That the content of the report entitled Trading Company Update be noted;
- (2) That the Service Director – Commercial be requested to investigate the status of those acting as “Directors” when the company is not yet registered.

REASON FOR DECISIONS: To keep Members informed on the progress in setting up a trading company.

NB: At the conclusion of consideration of the Part 2 report, the Sub-Committee returned to Part 1 to consider any recommendations (Minute 7 refers).

The meeting closed at 11.55 am

Chairman