

Report title	Appointment of Shareholder Non-Executive Director (Chair of the Board)
Report author	Alex Williams
Department	Asset and Regeneration
Exempt?	No

Purpose of report:

- **To resolve**

Synopsis of report:

To invite the Committee as the shareholder representative to appoint the new Councillor Non-Executive Director.

Recommendation(s):

To agree to the appointment of Councillor Ricky Milstead as Non-Executive Director (Chair of the Board) to RBC Investments (Surrey) Ltd; RBC Services (Addlestone One) Ltd; and RBC Heat Company Limited (the Companies)

1. Context and background of report

- 1.1 In April 2015 the Council agreed to create a wholly owned company to acquire and manage residential investment property for letting in the private rented sector. This company is called RBC Investments (Surrey) Ltd (RBCI).
- 1.2 At the same time as establishing RBCI it was further agreed to create a company called RBC Services (Addlestone ONE) Limited (RBCS) to manage the Addlestone ONE Development and the administration of the service charges for additional commercial services to occupiers of the Development.
- 1.3 The final element of the suite of companies created by the Council in April 2015 was a trading company to sell hot water for space heating and hot water generation in the residential and commercial units in the Development. This company is RBC Heat Company Limited (RBCH).

2. Appointment of the Councillor Non-Executive Director

- 2.1 This report seeks the committee's approval as the body to which is delegated the role of exercising the Council's powers as a shareholder in the three companies. When the companies were created the Council entered what is termed a shareholder agreement with the companies. One of the terms of that shareholder agreement allows the Council to appoint both normal directors and Non-Executive Directors to the companies.
- 2.2 The shareholder agreement is dated 30th March 2017 and was made between Runnymede Borough Council and RBC Investments (Surrey) Ltd.

- 2.3 Following the resignation of the previous Councillor Non-Executive Chairman and with a new administration now in place. The nomination for the position of Council NED on the Companies' Boards has been agreed.
- 2.4 This report seeks to appoint Cllr Ricky Milstead as the Council NED until further notice.
- 2.5 A Board meeting of the Companies will take place to formally appoint Cllr Ricky Milstead as a director of the Companies in accordance with the Shareholder Agreement
- 2.6 The Directors of the SPVs remain as previously reported with Alex Williams and Emma Lyons acting in this capacity. The shareholders should further note that we have also appointed a Company Secretary who is working with the Directors in respect of the governance arrangements and other elements ensuring they are delivering on the business plan objectives.

3. Policy framework implications

- 3.1 For a variety of legal, regulatory and other reasons, a local authority chooses (or is required) to conduct their activities not through a single legal entity but through two or more legal entities which fall under its ultimate control and to this end Runnymede Borough Council has three subsidiary companies which prepare annual individual and group accounts that are separately reviewed and audited by local accounting firm, CSL Partnership LLP. For clarity these are:
 - 3.1.1 RBC Investments (Surrey) Ltd (RBCI) -The Council owns 100% of the shares in RBCI. The purpose of the company is to hold investments in residential property around the borough and act as the holding company of RBC Services (Addlestone One) Limited.
 - 3.1.2 RBC Services (Addlestone One) Limited (RBCS) The council owns 1% of the shares in the company with the remaining 99% owned by RBC Investments (Surrey) Ltd. RBCS was set up to publicise and promote Addlestone One development and to carry out its ongoing maintenance via a service charge and to undertake other commercial service charge and property activity for Council owned property including Egham Business Park, Egham Town Centre Car Park (Waitrose), Chertsey Business Park, Magna Square
 - 3.1.3 RBC Heat Company is 100% owned by RBC Services (Addlestone One) Limited, and therefore Runnymede Borough Council has influence over it via its shares in RBC Investments (Surrey) Limited and RBC Services (Addlestone One) Limited. RBCH provides heat to all the residential properties within the Addlestone One development and any commercial properties that wish to take it and going forward Magna Square will be included.

4. Resource implications

- 4.1 There are none. The Council NED is not entitled to any fees, remuneration or expenses reimbursement under the letter of appointment under the Shareholder Agreement.

5. Legal implications

- 5.1 The Companies must comply with the governance arrangements set out in the Shareholder Agreement and the Companies Acts. Once this Committee makes its decision a formal notice will have to be sent by the Council to the Company Secretary notifying the Company of the Council's decision. That notice will be signed by the Chief Executive.

6. Equality implications

6.1 None for the purposes of this report.

7. Timetable for Implementation

7.1 With immediate effect

8. Conclusions

8.1 To agree to appoint Cllr Ricky Milstead as the Councillor Non-Executive to the Companies' Boards

9. Background papers

9.1 Held in finance and assets.