

COUNCIL MEETING – 15TH MAY 2013

Extract from the Minutes of the Cabinet Meeting on 7th May 2013

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DEVELOPMENT COMPANY

Cabinet considered a report recommending that the Council set up a Development Company, wholly owned and controlled by the Council, to drive forward the development of the Council's land assets for housing and economic growth.

The report summarised the work of Deloitte LLP (business and financial advisors) and Bevan Brittan LLP (legal advisors), appointed to evaluate options and report back on a preferred model to provide the best opportunity to realise the ambitions of the Council, and to create the infrastructure necessary to ensure greater prosperity for local residents.

The preferred option was the delivery of the Council's objectives through a wholly-owned and controlled arm's length company, where the Council retained ownership of the physical assets. The principal advantage of this option was that it allowed the Council to focus its delivery through the separate arm's length company, without distracting the company's management and staff with the Council's other day-to-day operational requirements. The Company could also better promote the Council's land and property assets for development through the Local Plan and planning process.

RESOLVED

That

(1) Council be recommended

- (a) to approve the setting up of a Development Company – East Cheshire, Engine of the North, wholly owned and controlled by the Council, in the form described in the report, to drive forward the development of the Council's land assets, as a key element for the Council's wider plans for housing and economic growth;
- (b) to appoint initially to the Board of the Company the following non-executive Directors: Cllr A Thwaite (Chairman), Cllr D Druce (Vice Chair), Cllr D Newton (Vice Chair), Cllr P Groves, the Director of Economic Growth and Prosperity (Caroline Simpson), the newly-appointed Head of Development (Darran Lawless) and to agree that the Interim Borough Solicitor (Mike Rowan) take on the role as Company Secretary; and
- (c) to approve that a Shareholder Committee be established comprising of the Leader, Deputy Leader, Portfolio Holder for Prosperity, Portfolio Holder for Resources and the Chief Executive.

(2) subject to (1) above, the Interim Chief Executive and Interim Borough Solicitor and Monitoring Officer be granted delegated authority to take forward the actions

required to implement the recommendations and set up the Development Company, reporting back to Cabinet in October 2013 on progress, specific actions to take forward being:

1. to set up the Company as operational (separate legal entity) and establish its Memorandum and Articles of Association by end May 2013;
2. to finalise initial staffing arrangements and related HR considerations; insurance arrangements; and other operating procedures to ensure that the Council's budget envelopes and capital plans in relation to the activities of the Company are clearly understood by end May 2013; and
3. to develop a 3-Year Business Plan for the Company, to establish the portfolio of assets it is required to act upon; any provision of resources to facilitate land acquisitions; set objectives against which its performance will be measured.; and draw up Company Objects and, if relevant, an Agency Agreement by end October 2013.