

**Notice of a public
Decision Session - Executive Member for Finance and Performance**

To: Councillor Steward

Date: Wednesday, 23 November 2016

Time: 4.45 pm

Venue: The Rowntree Room (GO62) - West Offices

AGENDA

Notice to Notice to Members – Post Decision Calling In:

Members are reminded that, should they wish to call in any item* on this agenda, notice must be given to Democratic Services by **4:00 pm on Friday 25 November 2016.**

*With the exception of matters that have been subject of a previous call in, require Full Council approval or are urgent which are not subject to the call-in provisions. Any called in items will be considered by the Corporate and Scrutiny Management Policy and Scrutiny Committee.

Written representations in respect of items on this agenda should be submitted to Democratic Services by **Monday 21 November 2016 at 5.00 pm.**

1. Declarations of Interest

At this point in the meeting, the Executive Member is asked to declare:

- any personal interests not included on the Register of Interests
- any prejudicial interests or
- any disclosable pecuniary interests

which he might have in respect of business on this agenda.

2. **Minutes** (Pages 1 - 4)
To approve and sign the minutes of the Decision Session held on 12 September 2016.

3. **Public Participation**
At this point in the meeting, members of the public who have registered their wish to speak at the meeting can do so. The deadline for registering is **Tuesday 22 November 2016 at 5.00 pm.**

Members of the public may register to speak on:-

- an item on the agenda
- an issue within the Executive Member's remit;

Filming, Recording or Webcasting Meetings

Please note this meeting will be filmed and webcast and that includes any registered public speakers, who have given their permission. This broadcast can be viewed at <http://www.york.gov.uk/webcasts>.

Residents are welcome to photograph, film or record Councillors and Officers at all meetings open to the press and public. This includes the use of social media reporting, i.e. tweeting. Anyone wishing to film, record or take photos at any public meeting should contact the Democracy Officer (whose contact details are at the foot of this agenda) in advance of the meeting.

The Council's protocol on Webcasting, Filming & Recording of Meetings ensures that these practices are carried out in a manner both respectful to the conduct of the meeting and all those present. It can be viewed at: http://www.york.gov.uk/download/downloads/id/11406/protocol_f_or_webcasting_filming_and_recording_of_council_meetings_20160809.pdf

4. **Applications to remove restrictive covenants - Units 4 and 9 Marsden Park, Clifton Moor and Buildmark House, George Caley Drive, Clifton Moor** (Pages 5 - 22)

This report sets out details of three applications to lift the restrictive covenants of office sites on Clifton Moor to allow low-cost residential development. The applications are in accordance with the Asset Management Policy on lifting restrictive covenants on Clifton Moor and capital receipts have been agreed in accordance with the policy.

5. Council Owned Companies (Pages 23 - 30)

At their meeting on 29 September 2016, the Executive considered and approved arrangements for the new Shareholder Committee but referred the detailed division of responsibilities for future consideration by the Executive Member. The Executive Member is asked to support the proposed division of decision making responsibilities between the Executive, the Shareholder Committee and officers, as set out in the annex to the report.

6. Urgent Business

Any other business which the Executive Member considers urgent under the Local Government Act 1972.

Democracy Officer:

Name- Jayne Carr

Telephone No.- 01904 552030

Email-jayne.carr@york.gov.uk

For more information about any of the following please contact the Democracy Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports and
- For receiving reports in other formats

Contact details are set out above.

This information can be provided in your own language.

我們也用您們的語言提供這個信息 (Cantonese)

এই তথ্য আপনার নিজের ভাষায় দেয়া যেতে পারে। (Bengali)

Ta informacja może być dostarczona w twoim własnym języku. (Polish)

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

یہ معلومات آپ کی اپنی زبان (بولی) میں بھی مہیا کی جاسکتی ہیں۔ (Urdu)

 (01904) 551550

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City of York Council

Committee Minutes

Meeting	Decision Session - Executive Member for Finance and Performance
Date	12 September 2016
Present	Councillor Steward

10. Declarations of Interest

The Executive Member was asked to declare any personal interests not included on the Register of Interests, any prejudicial interests or any disclosable pecuniary interests that he may have in respect of business on the agenda. No additional interests were declared.

11. Minutes

Resolved: That the minutes of the Decision Session held on 15 August 2016 be approved and signed as a correct record.

12. Public Participation

It was reported that there had been two registrations to speak at the meeting under the Council's Public Participation Scheme and that one Member of Council had also registered to speak. The registrations were in respect of agenda item 4 – Application for Community Right to Bid under the Localism Act 2011 – Holgate Community Garden.

Mr David Barrett spoke on behalf of the Friends of Holgate Community Garden. He drew particular attention to the environment and heritage of the site. Details were given of the wildlife that could be found on the site and the benefits that the garden brought to residents of all ages. Mr Barrett stated that the green space was particularly important because it was in an urban environment. Examples were given of the ways in which the community supported and maintained the gardens and its importance to community cohesion. Mr Barrett also stated that

the garden was in an area of special character because of its Victorian streetscape and had historic value. He stressed the need to ensure that the views of residents were taken into account. He informed the Executive Member that he welcomed the recommendation in the report that the garden be listed as an Asset of Community Value.

Ms Annabel Jelley stated that she was speaking as a representative of the local community and as a mother who had regularly taken her child to the garden. She drew attention to the terraced housing that was in the vicinity of the garden, many of which had only small back yards. She stated that the community garden was used on a daily basis by children and other residents and that the provision of a safe green space contributed to good mental health. The basketball facilities and play equipment also provided opportunities for exercise. Ms Jelley gave details of the ways in which the community had come together to improve the garden, including planting and tending the garden and participating in the Edible York movement. The garden was of enormous value to local people.

Councillor Mary Cannon spoke on behalf of the three Holgate Ward Members. She explained the importance of the Holgate Community Garden to the social wellbeing of the local community. It was a place for the community to come together for activities including picnics, basketball and play. A scarecrow festival was also planned. A donation had been made from ward funding to the edible garden. The Friends of Holgate Garden Group was very active and the community garden was particularly important as it was the only open space in that part of the ward. Councillor Cannon stated that she was pleased to note that the recommendation was to approve the listing of the community garden as an Asset of Community Value.

The Executive Member stated that he had also received two written representations in support of the application:

- The Executive Member read out a statement from Mr Richard Knowles, Headteacher of St Paul's CE Primary School. The statement detailed the importance of the community garden to the school, particularly as the school did not possess its own playing fields. The garden area provided a valuable learning resource to the school and to local community groups.

- The Executive Member stated that he had also received written representation from Ms Sally Mclean on behalf of St Paul's Out of School Club. The representation explained that the community garden was well used by the Out of School Club because of the landscape, ground cover, play equipment and gardening opportunities that it provided.

The Executive Member thanked the participants for their contributions.

13. Application for Community Right to Bid under the Localism Act 2011 - Holgate Community Garden

The Executive Member considered an application to list Holgate Community Garden as an Asset of Community Value (ACV).

The Executive Member stated that it was evident that the community garden was well used and he had seen for himself the improvements that had been made over time. He clarified that the decision he was being asked to make was whether or not the Holgate Community Garden should be listed as an Asset of Community Value. Options regarding access to the York Central site were being considered and decisions regarding that issue would be made by the Executive.

Resolved: That the application to list the Holgate Community Garden and Play Park as an Asset of Community Value be approved.

Reason: To ensure that the Council meets the legislative requirements of the Localism Act 2011 and promotes community access to community facilities.

14. Applications for Community Right to Bid under the Localism Act 2011- Blacksmiths Arms Public House, Naburn

The Executive Member considered an application to list the Blacksmiths Arms Public House, Naburn, York as an Asset of Community Value (ACV).

The Executive Member stated that he noted that the public house provided services which furthered the social wellbeing and interests of the local community.

Resolved: That the application to list The Blacksmiths Arms Public House, Naburn as an Asset of Community Value be approved.

Reason: To ensure the Council meets the legislative requirements of the Localism Act 2011 and promotes community access to community facilities.

Councillor Steward – Executive Member
[The meeting started at 4.45 pm and finished at 4.55 pm].



23 November 2016

Decision Session Executive Member Finance and Performance

Report of the Corporate Director Economy and Place

Applications to remove Restrictive Covenant Units 4 and 9, Marsden Park, Clifton Moor Buildmark House, George Cayley Drive, Clifton Moor

Summary

1. This report sets out details of three applications to lift the restrictive covenants of office sites on Clifton Moor to allow low-cost residential development. The applications are in accordance with the Asset Management Policy on lifting restrictive covenants on Clifton Moor and capital receipts have been agreed in accordance with the policy.

Background

2. The Asset Management Policy on lifting restrictive covenants at Clifton Moor was approved at the Cabinet Member Decision Making Session on 7 July 2014 and a copy of this policy is attached at Annex A. Several approvals have been given at recent Cabinet and Executive Member Decision Making Sessions to lift restrictive covenants on sites nearby, amongst them are Pioneer Business Park, Aviator Court and Endeavour House, and this has been in return for capital sums.
3. Applications have been received for Units 4 and 9 at Marsden Park, Clifton Moor and Buildmark House, George Cayley Drive, Clifton Moor which are covered by the same restrictive policy for further use and development. Details are outlined below.

Unit 9, Marsden Park, James Nicolson Link

4. Messrs. D. Rhodes, A. Sykes and N. Speakman have applied to lift the restrictive covenant at Unit 9, Marsden Park on Clifton Moor where the office building has been vacant for a considerable period of time and a scheme has been put together for a residential development on the site. A site plan is attached at Annex B.

5. The proposal is to create 2 x 2 bed apartments within the existing office building structure to be marketed at first time buyers as starter homes. A plan of the proposal is attached at Annex C.
6. The adopted Council policy has the following requirements for such an application to be considered and these are set out below together with details of how these requirements are being met.
7. Appropriate communal open space for clothes drying, secure cycle storage and bin storage, etc.

The Unit is located at the southern end of a terrace of three properties which is also the southern end of Marsden Park. It is proposed to use the grassed area on the southern elevation of the Unit for secure cycle storage, bin storage and clothes drying space. This area is screened by the hedge boundary. Each apartment will also have a tumble dryer included in the development. Each apartment will have 2 car parking spaces and there is a fifth space which can be used for secure cycle storage as an alternative to the side grassed area.

To the rear of the Unit is another grassed area which is available for communal open space. The proposal includes a communal paved area directly to the rear of the Unit which will be screened from the remaining block.

Some play provision

The applicants have stated that the apartments are not designed for general family housing and therefore there is no specific play provision, but the flats will have a dedicated outdoor terraced area.

The applicants have advised that there is a public park located adjacent to Clifton Moor Church and Community Centre on Oakdale Road which is within a 5 minute walk of the Unit.

Suitable pedestrian access

Pedestrian access will remain as existing which is directly from James Nicolson Link.

Appropriate acoustic treatment to limit road noise, etc.

Building regulations will cover the appropriate requirements. As the building is located at the far end of Marsden Park any noise from traffic will come from Clifton Moorgate which is directly adjacent. The applicants have advised that due to the change from office to residential use there will be a reduction in road traffic movements within Marsden Park. Existing dense trees and shrubs at the Clifton

Moorgate boundary will reduce potential road noise, all windows will be replaced with a higher specification triple glazing and sound block acoustic board will be applied internally to all walls and floors.

Unit 4, Marsden Park, James Nicolson Link

8. Bootham Developments have applied to lift the restrictive covenant at Unit 4, Marsden Park on Clifton Moor where the office building has been vacant for a considerable period of time and a scheme has been put together for a residential development on the site. A site plan is attached at Annex B.
9. The proposal is to create 2 x 2 bed apartments within the existing office building structure to be marketed at first time buyers as starter homes. A plan of the proposal is attached at Annex D.
10. The adopted Council policy has the following requirements for such an application to be considered and these are set out below together with details of how these requirements are being met.
11. Appropriate communal open space for clothes drying, secure cycle storage and bin storage, etc.

The Unit is located at the end of the middle terrace of three properties. There is existing bin storage and cycle storage is to be included within this area. There is a large communal open space area at the rear and side of the property which can be utilised as a drying area. Each apartment will have 2 car parking spaces and there is a fifth space which can be used for secure cycle storage as an alternative as the communal open space area is within the ownership of a management company and the developers must seek a negotiated agreement with them.

Some play provision

The applicants have stated that the apartments are not designed for general family housing and therefore there is no specific play provision.

The applicants have advised that there is a public park located adjacent to Clifton Moor Church and Community Centre on Oakdale Road which is within a 5 minute walk of the Unit.

Suitable pedestrian access

Pedestrian access will remain as existing which is directly from James Nicolson Link. The entrance forecourt will be improved to allow better disabled access.

Appropriate acoustic treatment to limit road noise, etc.

Building regulations will cover the appropriate requirements. The Unit is located in the middle of Marsden Park and not directly adjacent to the main roads. Sound block acoustic board will be applied internally to all walls and floors.

Buildmark House, George Cayley Drive, Clifton Moor

12. Helmsley Group Ltd have applied to lift the restrictive covenant at Buildmark House, George Cayley Drive on Clifton Moor where the office building has been vacant for a considerable period of time and a scheme has been put together for a residential development on the site. A site plan is attached at Annex E.
13. The proposal is to create 16 apartments within the existing office building structure to be marketed at first time buyers as starter homes.
14. The adopted Council policy has the following requirements for such an application to be considered and these are set out below together with details of how these requirements are being met.
15. Appropriate communal open space for clothes drying, secure cycle storage and bin storage, etc.

It is confirmed that there will be an external space for clothes drying and it is also the intention to give a number of the ground floor flats private gardens and outdoor areas. Cycle and bin storage will also be provided, either as in a shared, covered area or private for each flat where feasible.

Some play provision

An exterior garden area for shared use will be provided.

Suitable pedestrian access

Pedestrian access will be possible directly onto Clifton Moorgate close to a pedestrian crossing point.

Appropriate acoustic treatment to limit road noise, etc.

Building regulations will cover the appropriate requirements.

16. All of these proposals therefore meet the requirements of this Policy. However although the apartments are proposed to be sold at a reasonable figure it is the view of Housing Services that these are not 'affordable' apartments within the relevant definition and therefore, in accordance with the Policy, a capital sum has been negotiated to remove the restriction. The following amounts have therefore been agreed with the applicants which are directly comparable to the sums agreed for the release of the restrictive covenant on the other schemes approved by the Executive Member

- a. Unit 4, Marsden Park - £9,200
- b. Unit 9, Marsden Park - £9,200
- c. Buildmark House, George Cayley Drive - £45,000

Options

17. If these proposals are not accepted then the applicants have indicated they will either:

- a) Decide not to proceed with their schemes which will mean the potential loss of 20 low cost apartments, or
- b) Take the matter to the Lands Tribunal. Legal Services have previously indicated there is a reasonable chance of success although it will be costly and take a considerable length of time.

18. The option to accept the capital sums offered is therefore recommended, as it provides a capital receipt for the Council and also potentially 20 apartments for first time buyers.

Council Plan

19. The proposed policy supports the Council policy of Get York Building, creating additional low cost housing on brownfield land.

Implications

Financial – The variation of the covenant realises a capital receipt which reflects the uplift in value of the site after the covenant has been lifted.

Human Resources (HR) – None

Equalities, Crime and Disorder and IT – Decent quality housing is fundamental to the creation of healthy, sustainable communities and due consideration needs to be given to avoid the indirect creation of sub-standard housing.

Legal – The refusal to lift a covenant can be subject to further legal challenge if it can be proved that the grounds for the original covenant no longer apply.

It is noted that, in addition to receipt of the financial sums, the Council wishes to make the release of the covenant subject to the matters referred to in paragraphs 7, 11 and 15 above. This can be included in the formal deed releasing the covenant or, if this is objected to by the applicants, controlled through the planning process by way of conditions to any planning permission and/or the provisions of any S106 agreement which the developer would be required to enter into.

Property – Contained within the Report.

Other – None

Risk Management

20. There is still a risk of legal challenge if the Council refuses to lift restrictive covenants.

Recommendations

21. The Executive Member is asked to agree to the request to remove the restrictive covenant on

- a) Units 4 and 9, Marsden Park, James Nicolson Link for a capital sum of £9,200 for each application
- b) Buildmark House, George Cayley Drive for a capital sum of £45,000

Reason: To enable the provision of apartments at reasonable cost in an area of surplus office accommodation.

Contact Details

Author: Valerie Inwood
Property Surveyor
Tel: (01904) 553358

Chief Officer Responsible for the Report:
Neil Ferris
Corporate Director Economy and Place

Report Approved

Date: 14-11-16

Specialist Implications Officer(s)

Legal
Gerry Allen
Senior Solicitor – Property
Tel: (01904) 552004

Wards Affected: Clifton Without, Rawcliffe and Skelton

For further information please contact the author of the report

Annexes

- Annex A Asset Management Policy on lifting restrictive covenants at Clifton Moor
- Annex B Site Plan – Units 4 and 9 Marsden Park
- Annex C Unit 9, Marsden Park Proposal Plan
- Annex D Unit 4, Marsden Park Proposal Plan
- Annex E Site Plan – Buildmark House, George Cayley Drive

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June 2014

City of York Council

Asset Management Policy on lifting of restrictive covenants at

Clifton Moor

When York District Council sold parcels of land to create office developments at Clifton Moor in the 1980's, the authority added a number of restrictive covenants onto the sale deeds to limit the use to office only.

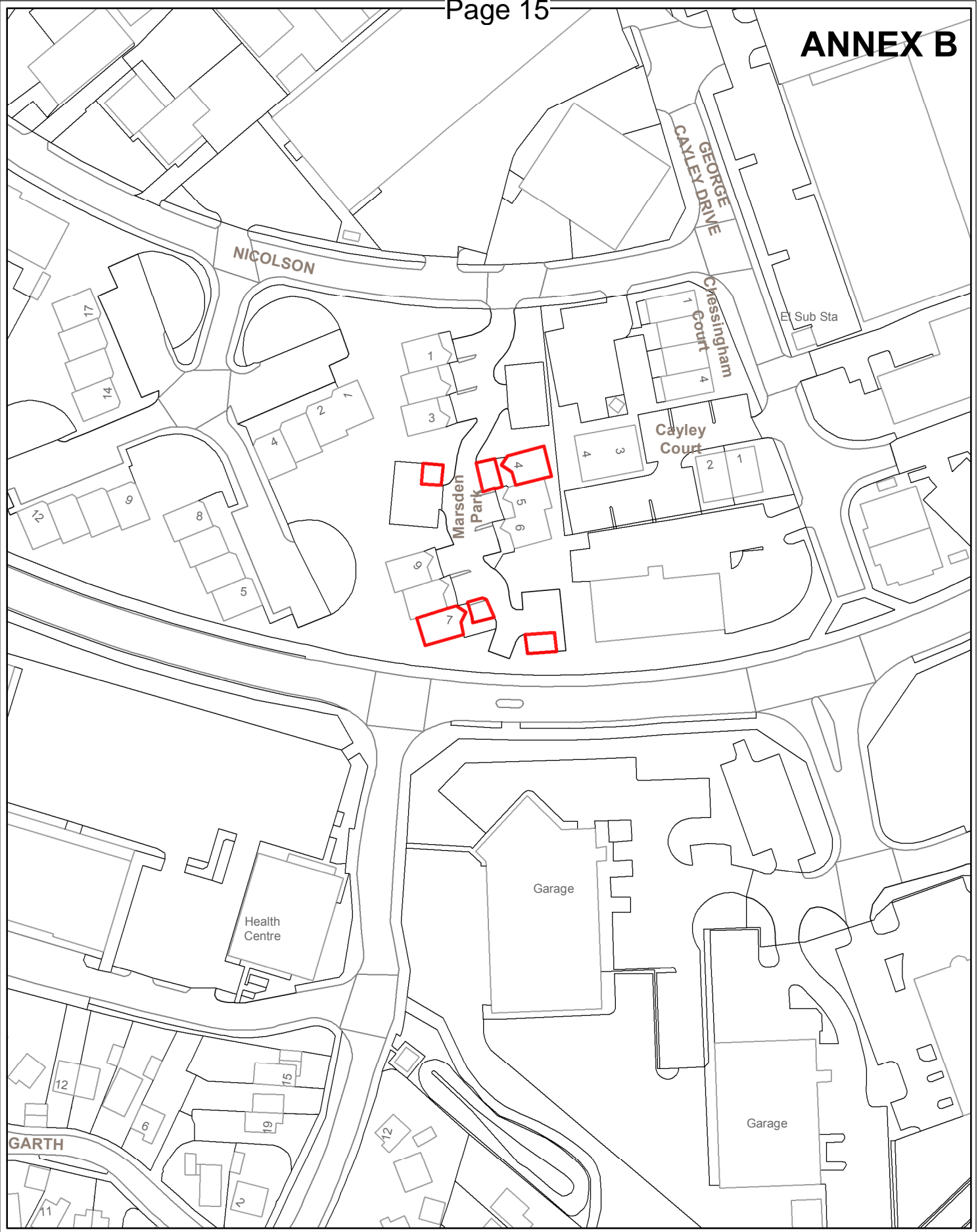
In more recent years a number of these offices have had only partial tenancies and are considered by their owners to be difficult if not impossible to let. The market for office accommodation in York is oversupplied with the quality of office accommodation that exists at Clifton Moor which is by and large moderate to poor. We are experiencing increasing demand for city centre high quality office accommodation which is currently in short supply. With regard to Clifton Moor the market has voted with its feet and there are a number of sites where CYC is being asked to vary or lift the covenants to convert them into residential schemes. CYC has now developed a policy to set out the principles that we will apply to these requests when we receive them.

Other restrictive covenants will still exist on land sales made in the past in different parts of the city. As the circumstances and the drivers around these will all be very different these should be treated on a case by case basis but the volume of these at Clifton Moor requires a specific policy framework.

Individual decisions will be made by the Cabinet Member for Finance and Performance. The following principles will be applied to those decisions:-

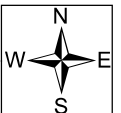
1. CYC will agree to lift restrictive covenants on Clifton Moor which restricted future use to office accommodation, to enable them to be used for residential accommodation, but we will only do so when there is a package of facilities to support reasonable quality of housing.

2. Future housing schemes must include
 - a. appropriate communal open space for clothes drying, secure cycle storage and bin storage etc,
 - b. Some play provision
 - c. Suitable pedestrian access,
 - d. Appropriate acoustic treatment to limit road noise etc
3. We will consider lifting the covenant without a charge for schemes that deliver affordable housing as defined in the affordable housing policy in place at the time of the request.
4. If schemes do not deliver affordable housing in accordance with our policy, we will consider the suitability of the development for housing and if we believe that it will provide accommodation units that are a reasonable standard then we will make a charge for removing the restrictive covenant and will seek to work with developers to ensure that developments consider the requirements set out above eg. acoustic treatment, proper pedestrian access, sound proofing, links through to other residential areas.
5. Overage clauses may be considered as part of any negotiations regarding the sum to be paid to lift a restrictive covenant. Where we decide to lift the covenant for free we will seek an overage clause to ensure CYC gains a share of the uplifted market value should affordable housing be sold on.
6. We will not support the lifting of the restrictive covenants where we believe that the accommodation being provided is of low or substandard quality or where the scheme creates a single isolated block of housing in an otherwise commercial or industrial setting.
7. Consideration will be given to the prevailing economic conditions and the state of the market for office accommodation across the city and specifically in Clifton Moor.
8. Developers should make a formal request to the Head of Asset Management, setting out the details of their scheme and how it meets the criteria set out above, along with a proposed financial value where appropriate.



CBSS
Asset & Property Management

Units 4 & 9, Marsden Park, James Nicolson Link, Clifton Moor



SCALE 1:1,250

DRAWN BY: DH

DATE: 07/10/2016

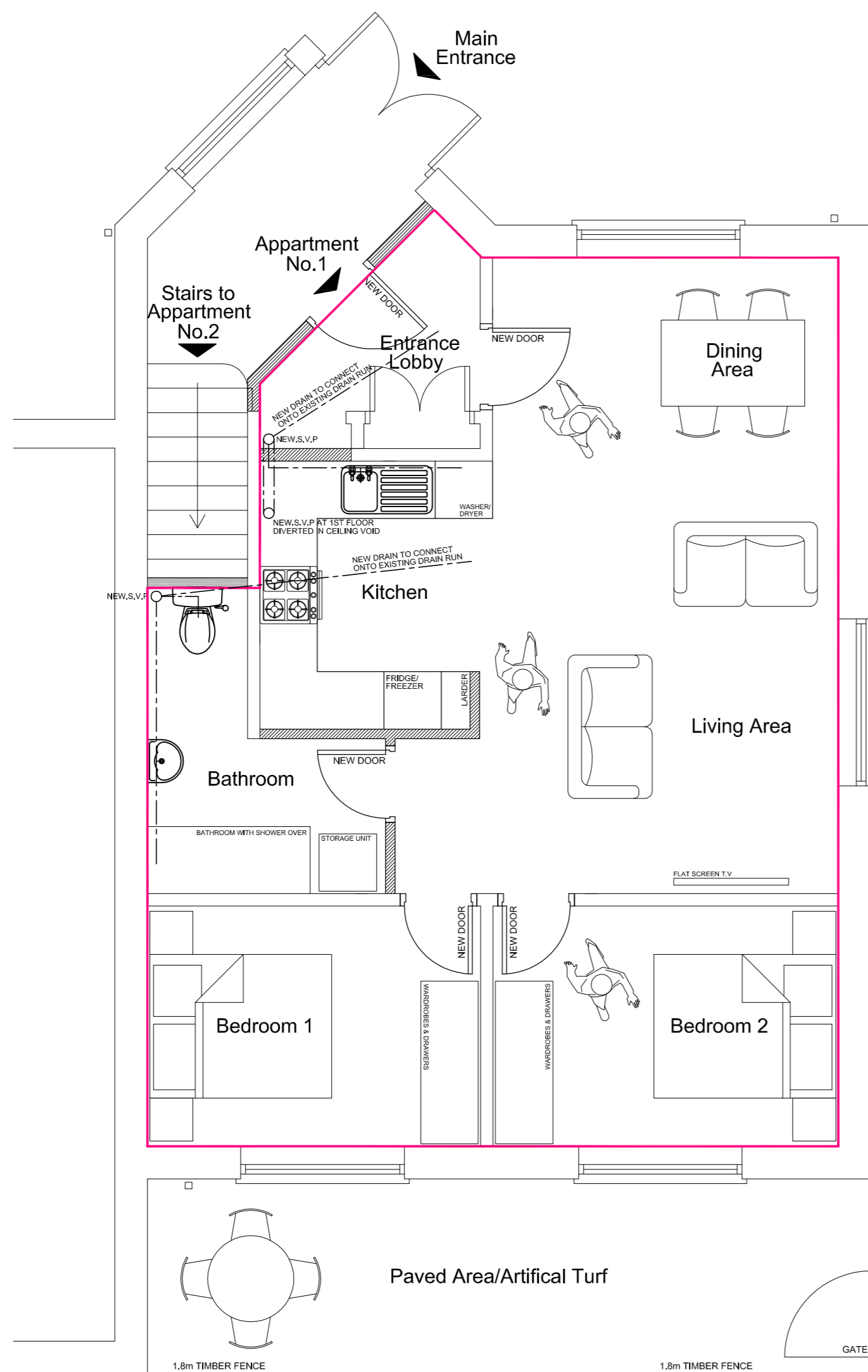
Originating Group:

Asset & Property Management

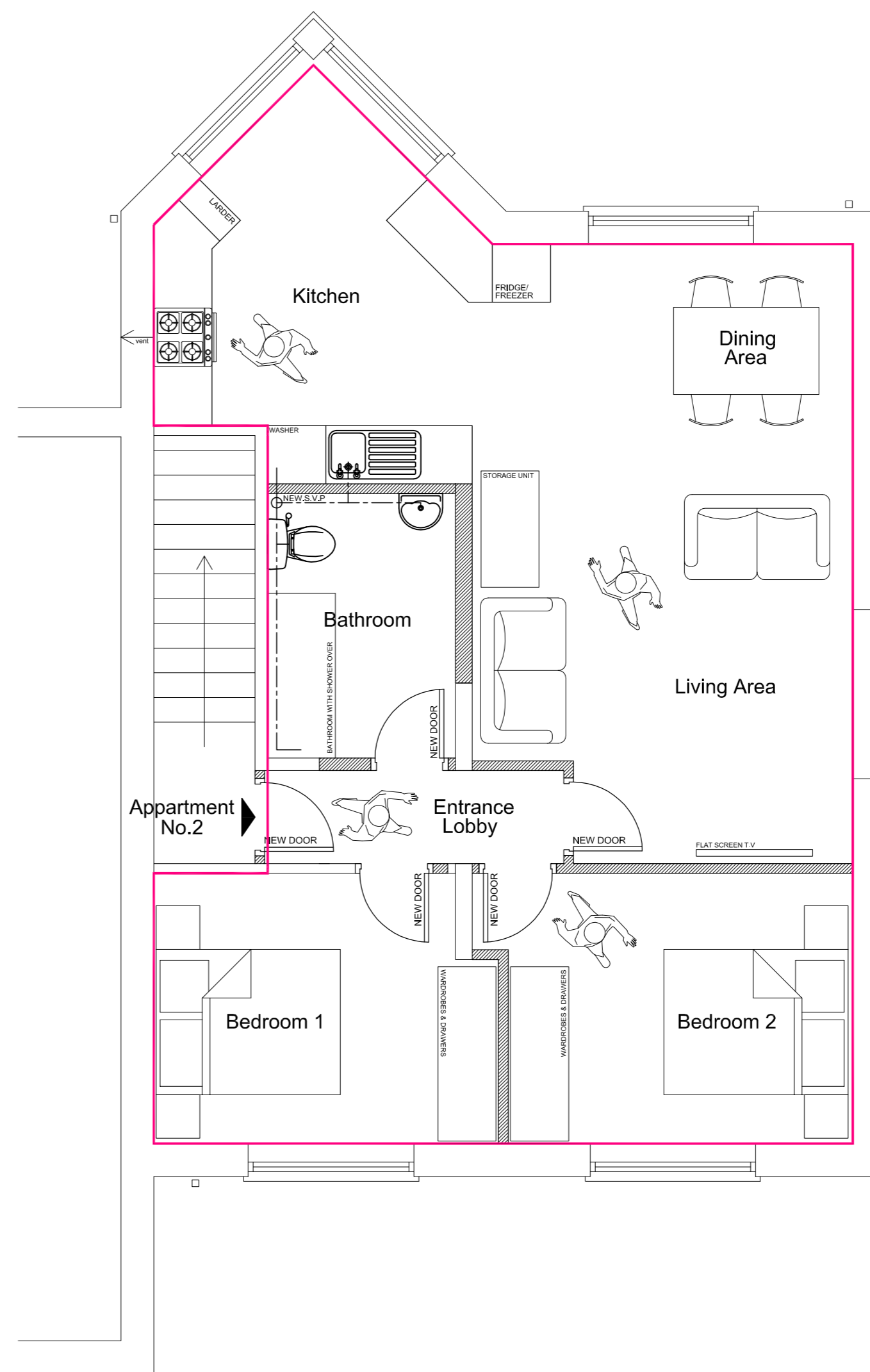
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Proposed Ground Floor Plan
Internal Floor Area - 62.3Sq.m



Proposed 1st Floor Plan
Internal Floor Area - 65.0Sq.m



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HAZARD / ACTIVITY LEADING TO UNUSUAL, SIGNIFICANT OR UNACCEPTABLE RISKS DURING CONSTRUCTION ARE IDENTIFIED ON THIS DRAWING AS:

This list below identifies certain risks but does not cover all possible unusual etc situations which may be during the construction process, it is therefore the main contractors responsibility to identify any further risks/hazards and take appropriate action.

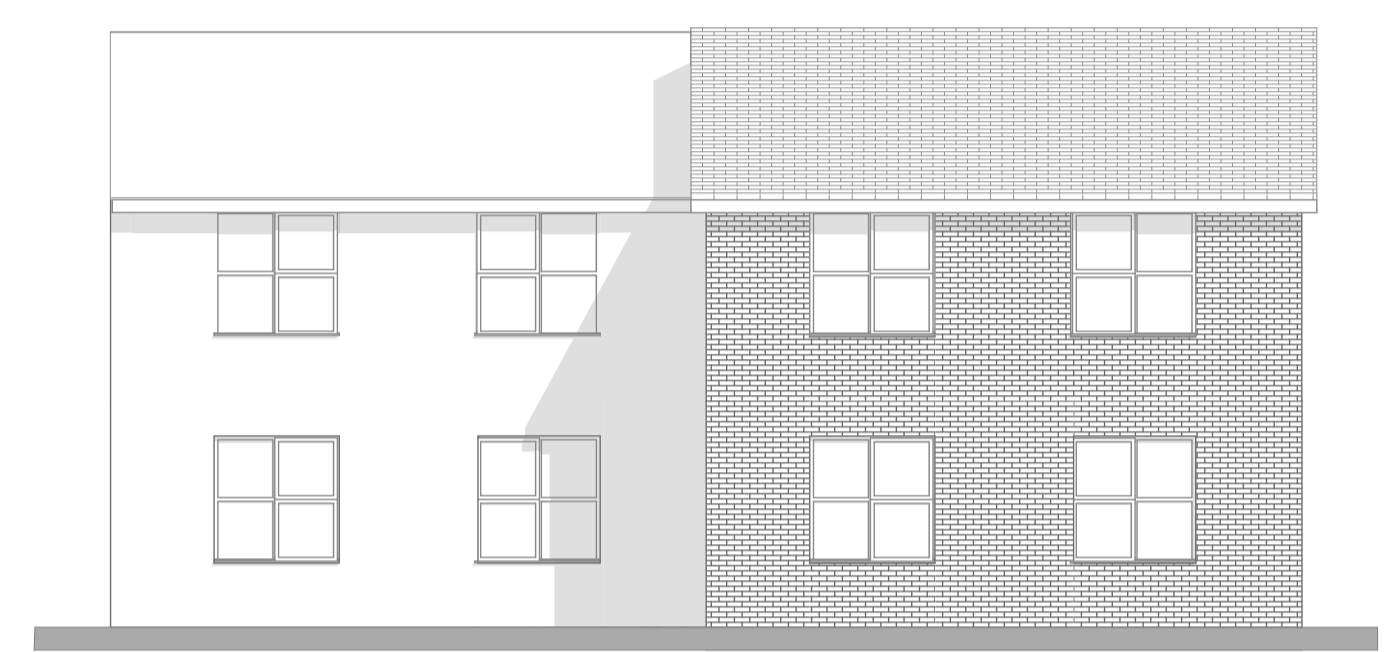
Risks / Hazards particular to this drawing are listed below in numerical references, please refer to architectural risk register for further details: #####

ANNEX D

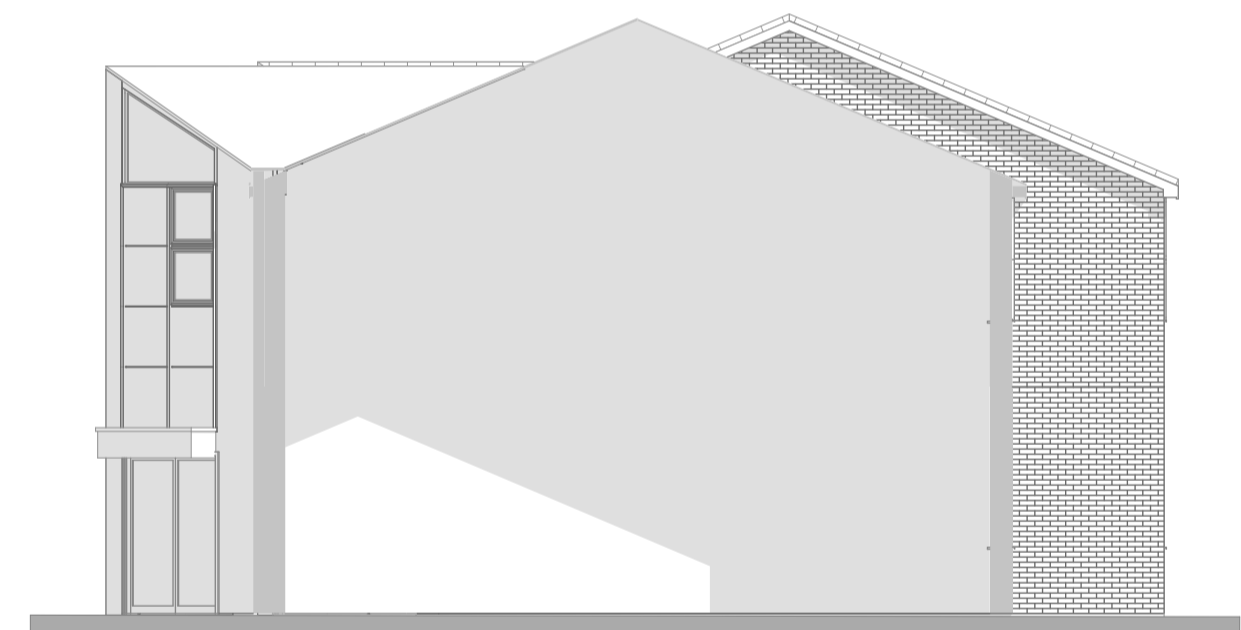
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Front East Elevation
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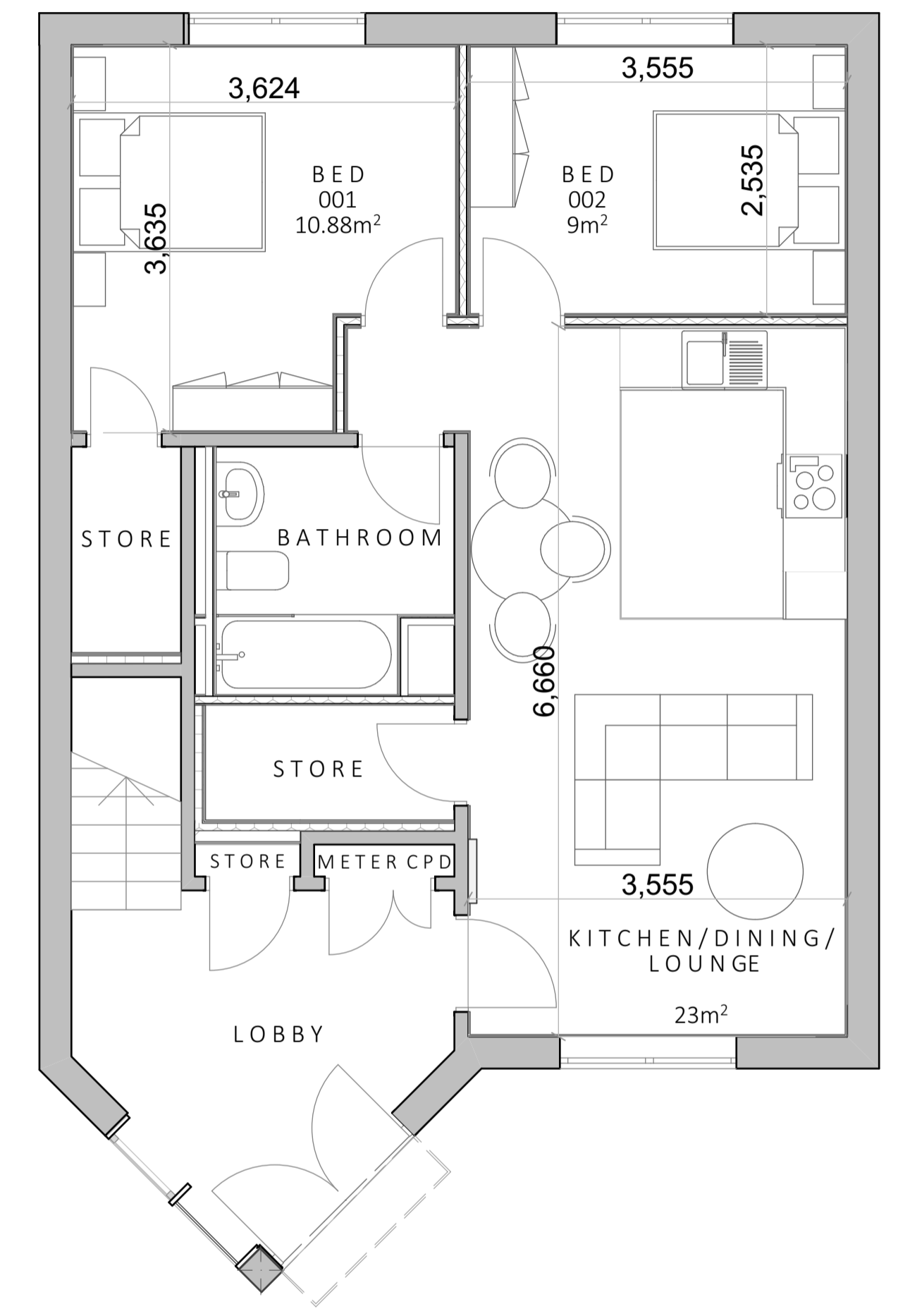
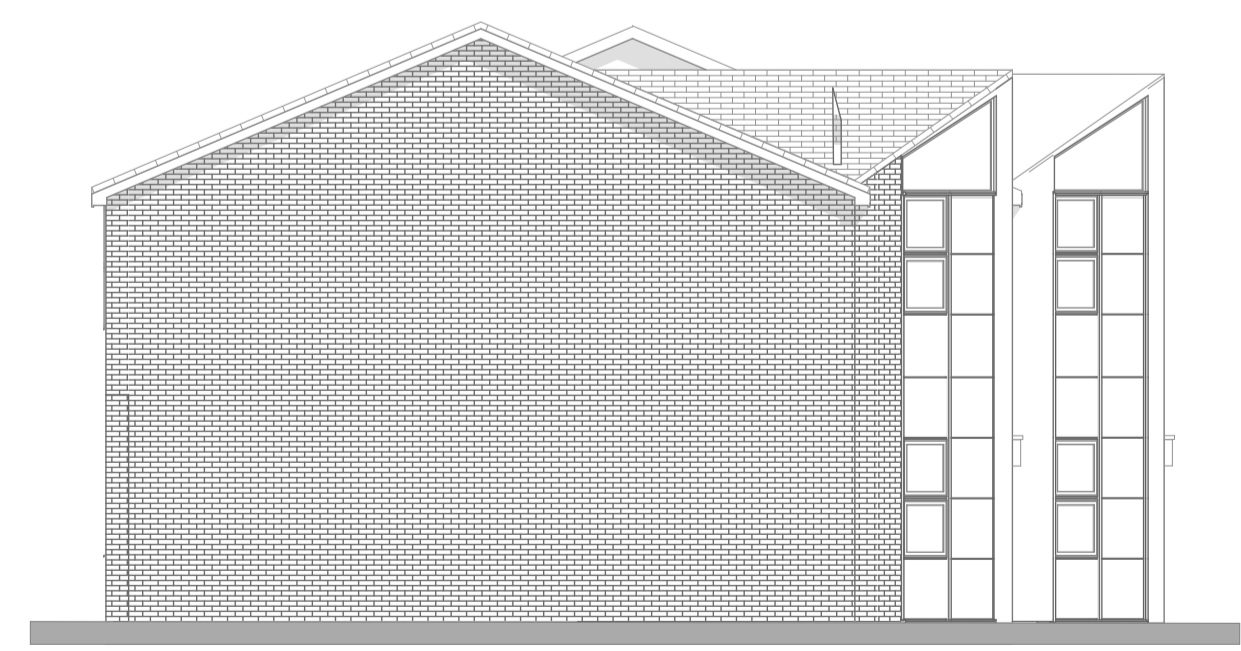
E-02
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Rear West Elevation
1:100



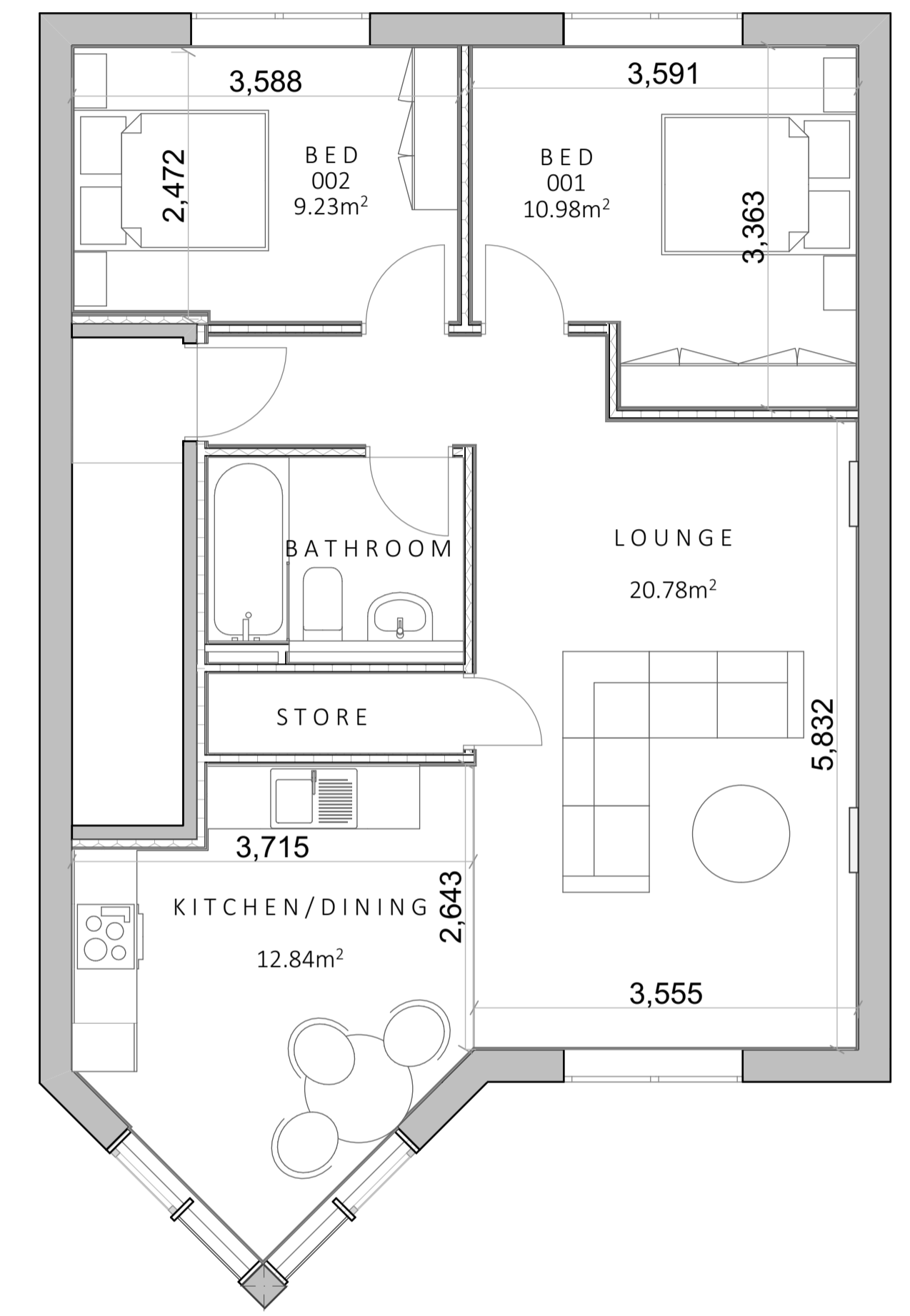
E-03
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North Gable Elevation
1:100



E-04
-
South Gable Elevation
1:100



0.
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GF- Ground Floor
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1.
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01- First Floor
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Rev	Date	Drawn	Description	Checked
23/05/2016	016		First Issue	

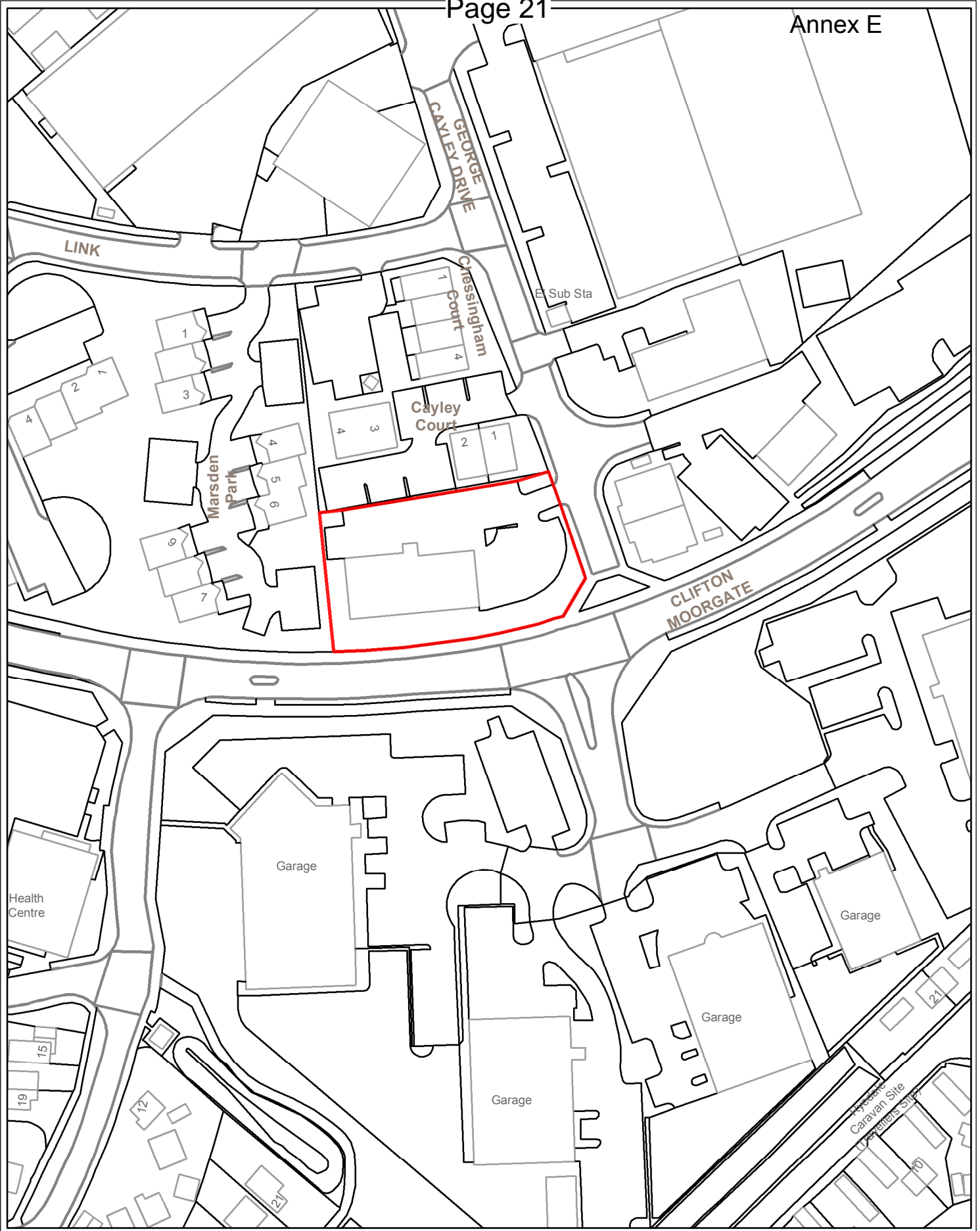
FEASIBILITY

Client Bootham Developments Issued From York
 Project 4 Marsden Park, Clifton Moor, York Date MAY 16
 Title Proposed Plans & Elevations Scale 1:100, 1:50 @ A1
 Drawn JD Auth SB

Drawing Number Y-BSP-5234-16-2001 #
 Revision

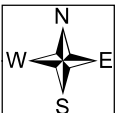
LHL Group Property and Construction Consultants
 The Chocolate Suite 2 Offices also in:
 works The Riverside Harrogate
 Bishopthorpe Road Building Livingston Road Newcastle Upon
 York Hessele HU13 0DZ Tyne
 YO23 1DE Doncaster
 01904 690699 01482 215999
 www.lhlgroup.co.uk

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*Asset & Property
Management*

Buildmark House, George Cayley Drive (ANNEX E)



SCALE 1:1,250

DRAWN BY: CC

DATE: 10/11/2016

Originating Group:

Asset & Property Management

Drawing No.

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Executive Member for Finance & Performance

23rd November 2016

Report of the Director of Customer and Corporate Services

Council Owned Companies

Summary

1. At their meeting on 29th September 2016 the Executive considered and approved arrangements for the new Shareholder Committee but referred the detailed division of responsibilities for further consideration by the Executive Member

Recommendations

- a) The Executive Member is asked to support the proposed division of decision making responsibilities between the Executive, the Shareholder Committee and Officers as set out in the annex to the report.

Reason: To ensure proper governance of Council companies.

Background

2. The Council owns a number of companies either alone or in partnership with other local authorities. Companies are managed by their directors. A company's board of directors can take any decision which is within the powers conferred by its Constitutional documents; however there are some decisions which the Council has decided when establishing a company are so significant that it would not want the company to be able to take without the specific approval of the Council. The Council has therefore placed controls on their companies either in the Articles or, more commonly, through shareholder's agreements which require certain decisions to be referred to the Council.
3. The controls give the Council the opportunity to satisfy itself that significant or unusual decisions are being made in the public interest and with proper consideration of risk. The Council can then either give or withhold approval. It is important to recognise that these are controls. The fact that the Council has the power to grant consent should not imply

that it will. All these decisions though will already have been considered and supported by the directors of the company.

4. The decision to give or refuse consent is an executive decision. The Council's scheme of delegations governs how executive decisions can be made. The Executive has already reserved to itself decisions relating to:
 - Changes to Company governance including amending Articles, shareholder agreements etc
 - Agreements to amalgamation, merger, joint venture, profit sharing or similar arrangements

This does not prevent the Executive dealing with other matters but normally they would be dealt with by either the Shareholder Committee or Officers.

5. The Shareholder Committee has been delegated powers by the Executive within its terms of reference to exercise all the Council's powers arising from its ownership role other than those identified above as being reserved to the Executive.
6. The Shareholder Committee therefore has wide powers. There are, however, company matters which raise no particular strategic issues and where the risks of a proposed transaction are no more than the risks Chief Officers manage on a day to day basis. A balance has to be struck between those matters which properly require full Member scrutiny through the normal Member decision making process and those which require a lighter touch. Part of that consideration is weighing up the need for democratic oversight against the requirements for effective and, in some cases, commercial decision making. There are a range of decisions where, it is suggested, it is appropriate for Council Chief Officers to be the decision makers.
7. The annex to this report described decisions which under the various Shareholders agreements require Council approval and sets out which would fall within the remit of Shareholder Committee and which within Directors' delegated powers. Executive Members may direct Directors not to use delegated powers. The Executive Member may wish to direct that the powers listed as falling within the remit of the Shareholder Committee should not be exercised by a Director.

8. Specialist Implications

Legal – these are contained within the body of the report

There are no specific other implications associated with the report which should be specifically reported.

Consultation

9. Consultation has been undertaken with the Executive and Officers.

Council Plan

10. The new Governance framework for all traded activity will contribute to the objective:-

- i. We are entrepreneurial, by making the most of commercial activities.

Risk Management

11. This report forms parts of a process of rationalising the governance arrangements of existing companies into a single governance framework. This approach is intended to make the structure fit for purpose now and in the future should the Council choose to establish additional companies.

Contact Details

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**Report
Approved**

Date 24th October 2016

Wards Affected:

All

For further information please contact the author of the report

Background Papers:

None

Annex

Annex 1 - Proposed division of responsibilities

Distribution of decision making powers for companies

For matters relating to a company which require a Council decision or where approval of the Council is required within the Company's governance arrangements the following distribution of powers will apply:

Decisions reserved to the Executive

1. Changes to Company governance e.g. including amending Articles, shareholder agreement
2. Agreements to amalgamation, merger, joint venture, profit sharing or similar arrangements
3. Approving steps to wind up a company

Decisions which would fall within the remit of the Shareholder Committee

4. Approving or making amendments to strategic or business plans
5. Acquiring shares in another company
6. Establishing subsidiary companies
7. Approving the appointment or dismissal of company directors including the Chair. *Note where the Council is making the appointment the decision will be for Council or Staffing Matters and Urgency Committee. The Shareholder Committee will consent or refuse consent to any appointments which are the responsibility of the company board to make but where Council consent is also required.*
8. Matters relating to terms and conditions of company directors
9. Matters relating to the entering of any contracts with company directors
10. Matters relating to the employment of the senior management team of the company

11. Changes to share capital and the admission of shareholders
12. Approving disposals of assets valued over £500K
13. Approving borrowing in excess of £500K
14. Making loans in excess of £500K other than by way of normal trade credit
15. Entering, amending or terminating any agreements which create a potential liability for the company in excess of £500K
16. Making changes to the nature of the company's business
17. Approving a decision which could otherwise be taken by a Council Director but which would, if being taken by the Council, amount to a key decision.
18. Matters relating to the approval of dividends requiring Council consent
19. Exercising any powers to issue instructions to company directors

Decisions which will fall within the remit of Council Directors delegated powers

20. Approving changes to the area in which the company works
21. Altering the company's name or registered office
22. Matters relating to the employees or agents of the company other than its senior management team
23. Where required giving any further specific approval to a matter provided for within the approved business plan
24. Approving disposals of assets valued under £500K
25. Approving borrowing of less than £500K subject to a clear business case
26. Making loans of less than £500K subject to the usual risk assessments
27. Approving changes to accounting arrangements

28. Entering, terminating or amending any agreements which create a potential liability for the company not exceeding £500K

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