



TRADING AND ENTERPRISE BOARD

Notice of a Meeting, to be held in the Committee Room No. 1 (Fougères Room) - Ashford Borough Council on Monday, 8th July, 2019 at 10.00 am.

The Members of the Trading and Enterprise Board are:-

Councillor Bell (Chairman)

Cllrs. Gideon, Pickering and Shorter, Ovenden (Observer)

Agenda

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1. Apologies/Substitutes	
To receive notification of Substitutes in accordance with Procedure Rule 1.2 (iii)	
2. Declarations of Interest	1 - 2
To declare any interests which fall under the following categories, as explained on the attached document:	
a) Disclosable Pecuniary Interests (DPI)	
b) Other Significant Interests (OSI)	
c) Voluntary Announcements of Other Interests	
See Agenda Item 2 for further details	
3. Minutes	3 - 6
To approve the Minutes of the Meeting of this Board held on the 11 th February 2019.	
4. Staff Resources and Director Appointments - A Better Choice for Property	7 - 10
5. Exclusion of the Public	
To consider passing the following resolution to exclude the press and public from the meeting:	
That pursuant to Section 100A(4) of the Local Government Act 1972, as amended, the public be excluded from the meeting during	

consideration of this item as it is likely that in view of the nature of the business to be transacted or the nature of the proceedings that if members of the public were present there would be disclosure of exempt information hereinafter specified by reference to Paragraph 3 of Schedule 12A of the Act, where in the circumstances the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

6. **Loan Facility Arrangement - A Better Choice for Property (to follow)**

11 - 34

28th June 2019

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Agenda Item 2

Declarations of Interest (see also “Advice to Members” below)

- (a) **Disclosable Pecuniary Interests (DPI)** under the Localism Act 2011, relating to items on this agenda. The nature as well as the existence of any such interest must be declared, and the agenda item(s) to which it relates must be stated.

A Member who declares a DPI in relation to any item will need to leave the meeting for that item (unless a relevant Dispensation has been granted).

- (b) **Other Significant Interests (OSI)** under the Kent Code of Conduct relating to items on this agenda. The nature as well as the existence of any such interest must be declared, and the agenda item(s) to which it relates must be stated.

A Member who declares an OSI in relation to any item will need to leave the meeting before the debate and vote on that item (unless a relevant Dispensation has been granted).

However, prior to leaving, the Member may address the Committee in the same way that a member of the public may do so.

- (c) **Voluntary Announcements of Other Interests** not required to be disclosed under (a) and (b), i.e. announcements made for transparency alone, such as:

- Membership of amenity societies, Town/Community/Parish Councils, residents’ groups or other outside bodies that have expressed views or made representations, but the Member was not involved in compiling or making those views/representations, or
- Where a Member knows a person involved, but does not have a close association with that person, or
- Where an item would affect the well-being of a Member, relative, close associate, employer, etc. but not his/her financial position.

[Note: Where an item would be likely to affect the financial position of a Member, relative, close associate, employer, etc.; OR where an item is an application made by a Member, relative, close associate, employer, etc., there is likely to be an OSI or in some cases a DPI. ALSO, holding a committee position/office within an amenity society or other outside body, or having any involvement in compiling/making views/representations by such a body, may give rise to a perception of bias and require the Member to take no part in any motion or vote.]

Advice to Members on Declarations of Interest:

- (a) Government Guidance on DPI is available in DCLG’s Guide for Councillors, at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5962/2193362.pdf
- (b) The Kent Code of Conduct was adopted by the Full Council on 19 July 2012, and a copy can be found in the Constitution alongside the Council’s Good Practice Protocol for Councillors dealing with Planning Matters. See <https://www.ashford.gov.uk/media/2098/z-word5-democratic-services-constitution-2019-constitution-of-abc-may-2019-part-5.pdf>
- (c) Where a Member declares a committee position or office within, or membership of, an outside body that has expressed views or made representations, this will be taken as a statement that the Member was not involved in compiling or making them and has retained an open mind on the item(s) in question. If this is not the case, the situation must be explained.

If any Member has any doubt about any interest which he/she may have in any item on this agenda, he/she should seek advice from the Director of Law and Governance and Monitoring Officer, or from other Solicitors in Legal and Democracy as early as possible, and in advance of the Meeting.

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Trading and Enterprise Board

Minutes of a Meeting of the Trading and Enterprise Board held in the Council Chamber, Civic Centre, Tannery Lane, Ashford on the **11th February 2019**

Present:

Cllr. Bell (Chairman);

Cllrs. Clokie, Galpin, Pickering.

In accordance with Procedure Rule 1.2 (iii) Councillor Pickering attended as Substitute Member for Councillor Bradford.

Apologies:

Cllrs. Bradford, Ovenden.

Also Present:

Director of Finance and Economy (in his capacity as Section 151 Officer), Head of Finance (in her capacity as Director of A Better Choice for Property Ltd), Head of Legal and Democracy, Principal Solicitor for Property and Projects (in her capacity as Company Secretary for A Better Choice for Property Ltd), Senior Accountant, Commercial Development Manager (A Better Choice for Property Ltd), Member Services Manager (Operational).

311 Minutes

Resolved:

That the Minutes of the meeting of the Board held on the 8th October 2018 be approved and confirmed as a correct record.

312 Exclusion of the Public

Resolved:

That pursuant to Section 100A(4) of the Local Government Act 1972 as amended the public be excluded from the meeting during consideration of the following items, as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the public were present there would be disclosure of exempt information hereinafter specified by reference to Paragraph 3 of Schedule 12A of the Act, where in the circumstances the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

313 A Better Choice for Property Ltd – Governance Update

The Head of Legal and Democracy introduced the report from the Company Secretary which set out the governance steps that had been taken following the approval of various matters by the Trading and Enterprise Board in 2018.

The Chairman asked if the Board could receive an update on the reasons behind the recent resignation of one of the non-executive external Directors of the Company. It was agreed that once a response was forthcoming this would be reported on. The Company was currently undertaking its own skills audit which would be used to inform a future recruitment drive for external Directors.

A Member also asked for some reassurance that any non-executive externally appointed Directors had to sign some sort of agreement that they would not divulge commercially sensitive information about the Company's activities. The Commercial Development Manager said that all Directors were certainly made aware of the importance of commercial sensitivity and this would continue to be the case.

It was noted that the Chairman of this Board had been appointed as an Observer to Company Board meetings and he asked to continue to be kept up to date with activities and meeting dates.

Resolved:

- That (i) the report of the Company Secretary be received and noted.**
- (ii) the Board receive an update on the reasons for resignation of one of the non-executive external Directors of the Company.**

Recommended:

- That (i) the Cabinet approves the steps taken by the Company Secretary to implement the decisions previously taken by the Trading and Enterprise Board and subsequently approved by the Council.**
- (ii) the Cabinet recommends to Council to approve the amendment to the Facility Agreement dated 9th September 2014, to enable the Company to on-lend monies borrowed under that Facility Agreement to its wholly owned subsidiary company, A Better Choice for Property Development Limited.**

314 A Better Choice for Property Ltd – Recent Acquisitions – Update Report

The Director of Finance and Economy introduced the exempt report of the Commercial Development Manager of the Company which was considered in accordance with the acquisitions approval process approved by the Council on the 18th October 2018. Approval for the acquisition of the site in question by A Better

Choice for Property Development Limited was granted and was reported to this Board for information in accordance with the agreed financial regulations.

A Member asked if any proposed development on this site should be considered in conjunction with the Council's wider masterplanning for the town centre. The Board considered this was beyond the remit of the Board and would need to be raised elsewhere within the Council. The Board would certainly not want to see anything hinder the Company's ability to develop this site and provide maximum return for both itself and the Council.

Resolved:

- That (i) the report be received and noted.**
- (ii) it be noted that approval for the acquisition was given by the Director of Finance and Economy, the Portfolio Holder for Finance and IT and the Portfolio Holder for Corporate Property.**
- (iii) it be noted that exchange of contracts for the purchase of the site had taken place and completion was set for 4th March 2019.**

315 A Better Choice for Property Ltd – Six Monthly Management Update

The Commercial Development Manager of the Company introduced the report which updated the Board on the Company's business activities over the six month period from 1st July to 31st December 2018. He said he would be happy to take any questions at any time on the ground covered in the report, but it was hoped that the report would demonstrate an active and successful six months and that the Company was moving forward in line with its current Business Plan.

Resolved:

That the report be received and noted.

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Agenda Item No: 4

Report To: Trading and Enterprise Broad

Date of Meeting: 8th July 2019

Report Title: Staff resources & director appointments – A Better Choice for Property

Report Author & Job Title: Ben Lockwood
Director of Finance and Economy

Portfolio Holder: Cllr. Bell

Portfolio Holder for: Shareholder Representative

Summary:

The Company Business Plan that was approved at Cabinet on 13th July 2017 proposed a significant expansion in the Property Company's residential portfolio. Over the last 6 months there has been an increase in the business administration due to developments coming online and properties being purchased/completed following development. The company currently has 70 properties with a further 98 nearing completion.

The Trading and Enterprise Board is asked to support the direct appointment by the company of a Business Support Officer, a post that is currently being resourced by the Council and recharged to the Company.

This will be funded from operation cashflows from rental income.

The company would also like the Board to support the decision for the company not to appoint employees as directors on the company board, this would include reversing the Board's previous decision to approve the appointment of the Commercial Development Manager as a director.

Key Decision: NO

Significantly Affected Wards:

Recommendations: The TEB is recommended to:-

- I. Recommend to Council to approve the appointment and remuneration package of a Business Support Officer, directly employed by A Better Choice for Property Limited.
- II. Approve the proposal of A Better Choice for Property Limited not to appoint employees to the

company board and to remove any previous approvals for the appointment of employees as Directors.

Policy Overview: One of the controls the Council has over the Property Company is for recruitment decisions to be made by Full Council.

The Council has an ambition to be self-funding and the property company is one tool that has been developed to contribute towards this aim.

Financial Implications: The Business Support Officer is currently employed by the Council and the costs of that employment are recharged to the company, which is a cost that incurs VAT, which the company is unable to recover. Employing directly will reduce the overall cost to the company.

A direct appointment will cost up to £35,000, full time equivalent subject to recruitment and negotiation.

Legal Implications None for the Council

Equalities Impact Assessment Not Required

Other Material Implications: None

Exempt from Publication: **NO**

Background Papers: **None**

Contact: Ben.lockwood@ashford.gov.uk – Tel: (01233 330540)

Report Title: Staff resources – A Better Choice for Property

Introduction and Background

1. In the Property Company's Business Plan approved by the Cabinet on the 13th July 2017 the Property Company set out its vision of how it intended to significantly expand its operations.
2. In order for the Development Manager and Project Manager to concentrate on the expansion of the business it is proposed to appoint a dedicated business support officer to manage the day to day activities of the company.
3. The company is proposing to employ this post on a part-time basis initially however this could move to a full-time roll as the company continues to expand.
4. This report also asks members to reverse the decision to appoint a company employee, the Commercial Development Manager, as a director on the company board. The directors have subsequently discussed this further and have decided that it would be better not to appoint any employees of the company as directors.

Remuneration package

5. The table below includes the proposed remuneration at a full-time equivalent basis:

Salary of Business Support Officer	£33,000	Based on 37 hours per week, however initially 24 hours will be contracted. Therefore a total cost of £22,000 to start.
Other contingency costs	£2,000	Recruitment, travel, training.

6. The Property Company Board met on 10 June 2019 and approved the appointment of this post.

Appointment of Directors

7. The Company is currently conducting a skills audit of directors to look at expanding the board from the current three directors. Once this has been done a report with recommendations of new member appointments/recruitment will come to TEB and on to Council.

8. In July 2018, the Company requested that the TEB approve the appointment of Keith Hollidge the Commercial Development Manager as a Director, this appointment was subsequently ratified by the TEB meeting of 6th August 2018. Since this time the company board has made the decision not to appoint employees of the company to its board due to the effect that such appointments would have in diluting the control of the Council, and the difficulties with possible conflicts of interest that may arise. Due to this the company board asks TEB to recommend to Council to reverse the decision made to appoint an employee of the company to the company board.

Equalities Impact Assessment

9. None

Consultation Planned or Undertaken

10. The Property Company has worked closely with the council's HR team in formulating the necessary employment documentation, policies and procedures when recruiting and employing the Business Support Officer.

Other Options Considered

11. The company could continue to pay the Council for this resource however funds are lost in unrecoverable VAT.

Reasons for Supporting Option Recommended

12. To support the company in achieving its operational aims.

Next Steps in Process

13. Subject to approval by full Council, the Property Company will recruit to this post through an application and interview process with the aim of appointing a suitable candidate.
14. The Company will complete a skills audit to identify gaps and report back to TEB on recommendations for appointment of new directors.

Conclusion

15. The proposals included within this report will allow the Property Company to employ its third employee in a part time role that will support the Development and Project Managers to achieve the company's aims and objectives contained within its Business Plan.

Contact and Email

16. Ben Lockwood - Ben.lockwood@ashford.gov.uk

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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