

REPORT TO EXECUTIVE

Date of Meeting: N/A

REPORT TO COUNCIL

Date of Meeting: 19th July 2022

Report of: Karime Hassan

Title: Chief Executive and Growth Director

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

The report is for Council to note the decision made by the Chief Executive and Growth Director as the Shareholder Representative in respect of the Council's wholly owned company Exeter City Living Limited.

2. Recommendations:

That Council notes this report.

3. Reasons for the recommendation:

Council resolved on 24th July 2018 to establish Exeter Group Limited and Exeter City Living Limited and to adopt a Management Agreement for the operation and control of Exeter City Living Limited. The Management Agreement completed on 22nd December 2018 between Exeter City Council and Exeter City Living Limited delegated authority to the Shareholder Representative referred in the Management Agreement as the Council's Representative to make decisions. Decisions made under powers delegated to the Shareholders Representative must be reported to Council in accordance with the Management Agreement.

On 1 September 2020 Executive resolved that the Shareholder Representative was changed by removing the Director appointment (David Bartram) and appointing the Chief Executive & Growth Director in the role of Shareholder Representative to undertake the activities and decisions as identified in the Shareholder Representative Delegated Powers document, in consultation with the Leader of the City Council and the Portfolio Holder for Council Housing Development and Services.

4. What are the resource implications including non financial resources.

Please refer to Annex A.

5. Section 151 Officer comments:

The Section 151 Officer is an appointed Director of Exeter City Living Ltd and therefore reports a conflict of interest. However, the contents of Annex A raises no concerns for the Deputy Section 151 Officer. The financial impact of entering into a lease for residential units at the Guildhall on Exeter City Living Ltd has been mitigated by the Council indemnifying any additional direct and/or indirect costs in connection with this transaction. The lease will enable the Council to retain full control over the premises for asset management purposes.

6. What are the legal aspects?

The report is to be noted in accordance with the Delegated Authority process under the Management Agreement dated 22nd December 2018 between Exeter City Council and Exeter City Living Limited.

7. Monitoring Officer's comments:

The Monitoring Officer is a Director of Exeter City Living Limited and therefore reports a conflict of interest.

The legal aspects are set out at paragraph 6 above. The Deputy Monitoring Officer has no additional comments.

Simon Copper – Deputy Monitoring Officer.

8. Report details:

Council is asked to note the delegated decision as set out in the Annex A.

9. How does the decision contribute to the Council's Corporate Plan?

The decision promotes the provision of value for money services and leading a well-run Council.

10. What risks are there and how can they be reduced?

The Council was in the process of acquiring the Guildhall Shopping Centre which contains residential units let under Assured Shorthold Tenancies. These would have been treated as secure tenancies if the Council became the direct landlord of the tenants which would prejudice the Council's ability to retain full control over the premises for asset management purposes. This situation was mitigated by Exeter City Living Limited taking an overriding lease of the residential units in advance of the shopping centre acquisition which was completed on 10th May 2022.

11. Equality Act 2010 (The Act)

In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because the report is for information only.

12. Carbon Footprint (Environmental) Implications:

No direct carbon/environmental impacts arising from the recommendations.

13. Are there any other options?

No

Report of: Karime Hassan

Chief Executive and Growth Director

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

Contact for enquires:
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Annex A attached.