



TO COUNCILLOR:

G S Atwal
E R Barr
L A Bentley
Miss A R Bond
G A Boulter
J W Boyce
Mrs L M Broadley
F S Broadley
D M Carter (Deputy Mayor)

Mrs K M Chalk
Miss M V Chamberlain
M H Charlesworth
M L Darr
B Dave
R F Eaton
Mrs L Eaton
R E Fahey
D A Gamble

Mrs S Z Haq (Mayor)
J Kaufman
Dr T K Khong
Mrs H E Loydall
K J Loydall
Mrs S B Morris
R E R Morris
R H Thakor

Dear Councillor *et al*

I hereby **SUMMON** you to attend a meeting of the **COUNCIL** to be held at the **COUNCIL OFFICES, STATION ROAD, WIGSTON, LEICESTERSHIRE, LE18 2DR** on **TUESDAY, 23 MAY 2017** at **7.00 PM** for the transaction of the business set out in the Agenda below.

Yours faithfully

Council Offices
Wigston
15 May 2017

Mark Hall
Chief Executive

- | <u>ITEM NO.</u> | <u>AGENDA</u> | <u>PAGE NO'S</u> |
|-----------------|---|------------------|
| 1. | Calling to Order of the Meeting and Prayers

The meeting of the Council will be called to order to receive Her Worship The Mayor and Deputy Mayor.

Members, Officers and those otherwise in attendance are asked to remain standing whilst the meeting is led in prayer by the Chaplin. | |
| 2. | Apologies for Absence | |
| 3. | Declarations of Interest

Members are reminded that any declaration of interest should be made having regard to the Members' Code of Conduct. In particular, Members must make clear the nature of the interest and whether it is 'pecuniary' or 'non-pecuniary'. | |
| 4. | Reading, Confirmation and Signing of Minutes

To read, confirm and sign the Minutes of the previous meetings of the Council in accordance with Rule 17 of Part 4 of the Constitution. | |



- a) Minutes of the Meeting of the Council held on Tuesday, 25 April 2017** **1 - 7**
- b) Minutes of the Annual General Meeting of the Council held on Tuesday, 16 May 2017**
- The Minutes of the Annual General Meeting of the Council held on Tuesday, 16 May 2017 shall stand as an item to be received at the next meeting of the Council due to be held on Tuesday, 20 June 2017.
- 5. Action List** **8**
- To read, confirm and note the Action List arising from the previous meeting of the Council held on Tuesday, 25 April 2017.
- 6. Motions on Notice**
- To consider any Motions on Notice in accordance with Rule 12 of Part 4 of the Constitution.
- 7. Petitions, Deputations and Questions**
- To receive any Petitions and, or, Deputations in accordance with Rule 24 of Part 4 of the Constitution and to answer any Questions on Notice in accordance with Rule 11 of Part 4 of the Constitution.
- Members are reminded that in accordance with Rule 11.1 of Part 4 of the Constitution, questions can be asked of the Leader of the Council and the Chair of a Committee without notice upon an item of the report of a Committee when that item is being receiving or is under consideration by the Council.
- 8. Mayor's Announcements**
- a) List of Official Mayoral/Deputy Mayoral Engagements** **9**
- 9. Leader's Statement**
- 10. Housing and Property Development within the Borough** **10 - 48**
- Report of, and to be Presented by, the Interim Head of Community Services.
- 11. Local Government Association Peer Review Challenge (Verbal Update)**
- Verbal update to be Provided by the Chief Executive.
- 12. Proposed Vice-Presidency of the Leicester Festival of Music and Drama** **49 - 51**
- Report of, and to be Presented by, the Chief Executive.
- 13. Common Seal of the Borough Council of Oadby and Wigston** **52**
- Report of the Director of Services / Monitoring Officer.
Presented by the Senior Democratic Services Officer / Legal Officer.
- 14. Receiving of Minutes for Information**
- The Council will receive the minutes from the meetings of the below-mentioned Committees, Boards, Panels, Forums, Working Groups and Outside Bodies for the purposes of information in accordance with Rule 17 of Part 4 of the Constitution.
- a) Minutes of the Development Control Committee held on Thursday, 13 April 2017**

The Minutes of the Development Control Committee held on Thursday, 13 April 2017 shall stand as an item to be received at the next meeting of the Council due to be held on Tuesday, 20 June 2017.

b) Minutes of the Children and Young Peoples' Forum held on Wednesday, 19 April 2017

The Minutes of the Children and Young Peoples' Forum held on Wednesday, 19 April 2017 shall stand as an item to be received at the next meeting of the Council due to be held on Tuesday, 20 June 2017.

For more information, please contact:

Democratic Services

Oadby and Wigston Borough Council
Council Offices
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Leicestershire
LE18 2DR

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**MINUTES OF A MEETING OF THE COUNCIL HELD AT THE COUNCIL CHAMBER,
COUNCIL OFFICES, STATION ROAD, WIGSTON, LEICESTERSHIRE, LE18 2DR ON
TUESDAY, 25 APRIL 2017 COMMENCING AT 7.00 PM**

<u>IN ATTENDANCE:</u>		
Mayor - Councillor Robert F Eaton Deputy Mayor - Councillor Mrs Samia Z Haq		
<u>COUNCILLORS (21):</u>		
Miss A R Bond	Miss M V Chamberlain	J Kaufman
G A Boulter	M H Charlesworth	Dr T K Khong
J W Boyce	M L Darr	Mrs H E Loydall
Mrs L M Broadley	B Dave	K J Loydall
F S Broadley	Mrs L Eaton	Mrs S B Morris
D M Carter	R E Fahey	R E R Morris
Mrs K M Chalk	D A Gamble	R H Thakor
<u>OFFICERS IN ATTENDANCE (6):</u>		
S J Ball	M W L Hall	Ms S Lane
Mrs A E Court	M Hone	A Thorpe

Min Ref.	Narrative	Officer Resp.
83.	<p><u>CALLING TO ORDER OF THE MEETING AND PRAYERS</u></p> <p>The meeting of the Council was called to order to receive His Worship The Mayor and Deputy Mayor.</p> <p>The meeting was led in prayer by the Chaplin.</p>	
84.	<p><u>APOLOGIES FOR ABSENCE</u></p> <p>An apology for absence was received from Councillors E R Barr and L A Bentley.</p>	
85.	<p><u>DECLARATIONS OF INTEREST</u></p> <p>In respect agenda item 6a, Councillor Mrs S B Morris declared a non-pecuniary interest insofar as she was a Director of the Wigston Multi-Academy Trust.</p> <p>In respect of agenda item 10:</p> <p>(i) Councillor K J Loydall declared a non-pecuniary interest insofar as he personally knew two of the Panel Members of the Independent Remuneration Panel.</p> <p>(ii) Councillor Mrs L Eaton declared that she personally knew one of the Panel Members of the Independent Remuneration Panel.</p> <p>Those Members who declared an interest confirmed that they attended the meeting without prejudice and with an open-mind.</p>	

86.	<p><u>READING, CONFIRMATION AND SIGNING OF MINUTES</u></p> <p>RESOLVED THAT:</p> <p>The minutes of the Meeting of the Council held on Thursday, 23 February 2017 to be taken as read, confirmed and signed.</p>	
87.	<p><u>ACTION LIST</u></p> <p>RESOLVED THAT:</p> <p>The Action List arising from the Meeting of the Council held on Thursday, 23 February 2017 be noted by Members.</p>	
88.	<p><u>MOTIONS ON NOTICE</u></p>	
88a.	<p><u>UK YOUTH PARLIAMENT - CURRICULUM FOR LIFE</u></p> <p>The Council gave consideration to the Motion on Notice (at pages 13-14) in respect of the UK Youth Parliament Curriculum for Life ("the Curriculum") which should be read together with these minutes as a composite document.</p> <p>Councillor R E R Morris advocated that the UK Youth Parliament and the Oadby and Wigston Youth Council agreed that a review of the current Personal, Social and Health Education (PSHE) forming part of the National Curriculum needed to be undertaken. This was said to be needed so to aid in the development of young persons': citizenship and political education; sex and relationship education; cultural awareness; community cohesion; finance skills; sustainable living. It was further stated that teachers needed to be trained to a minimum standard to be able to deliver the proposed Citizenship and PSHE education under the revised Curriculum.</p> <p>The Motion was moved by Councillor R E R Morris and seconded by Councillor Miss M V Chamberlain.</p> <p>UNANIMOUSLY RESOLVED THAT:</p> <p>1. This Council notes:</p> <p>a) That the UK Youth Parliament, during their sitting in the Houses of Parliament on 11 November 2016, and following 2016's successful 'Make Your Mark' Ballot, have chosen to campaign for a 'Curriculum for Life' to be incorporated into the National Curriculum.</p> <p>b) That the purpose of the UK Youth Parliament's campaign is to see the National Curriculum radically overhauled through a youth-led review that helps develop young people's political knowledge, better sex and relationship education, cultural awareness, community cohesion, finance skills, and sustainable living.</p> <p>c) That nationally 142,471 young people aged 11-18 voted 'A curriculum to prepare us for life' as their main concern through the 'Make Your Mark' Ballot, the UK's largest youth consultation, in which 978,216 votes were cast.</p>	

	<p>d) That the Oadby & Wigston Youth Council, as the Borough’s voice for young people, are supporting the UK Youth Parliament’s campaign and have actively taken steps towards its realisation, including writing letters to local schools, our local MP Sir Edward Garnier, and the Secretary of State for Education seeking wider promotion and support of a ‘Curriculum for Life’.</p> <p>2. This Council believes:</p> <p>a) That Citizenship and PSHE education are important for young people’s growth and development, as they teach vital life skills and can be the first steps to engaging young people in political life.</p> <p>b) That a youth-led, UK-wide review of the place of Citizenship and PSHE education in the National Curriculum should be held.</p> <p>c) That teaching staff should be specifically trained to a national standard to deliver Citizenship and PSHE education following the findings of the above review, and the ‘Make Your Mark’ Ballot.</p> <p>d) That a revised National Curriculum should highlight the importance of the following subjects;</p> <ul style="list-style-type: none"> • Political Education • Sex and Relationships Education (SRE) • Cultural Awareness • Community Cohesion • Finance Skills • Sustainable Living • Citizenship Education Test <p>3. This Council resolves:</p> <p>a) To write to Sir Edward Garnier MP, and Justine Greening MP as Secretary of State for Education, indicating its support of the ‘Curriculum for Life’ campaign led by the UK Youth Parliament, and seek their support in ensuring the UK-wide, youth-led review indicated above takes place.</p> <p>b) To assist the Oadby & Wigston Youth Council in the lobbying of local Academies, who are not required to teach the National Curriculum, to pledge their commitment to teaching a ‘Curriculum for Life’, ensuring all young people in the Borough are afforded the same opportunities for growth and development.</p> <p>c) To raise awareness of the UK Youth Parliament’s ‘Curriculum for Life’ campaign in the Borough through appropriate means.</p>	
89.	<p><u>PETITIONS, DEPUTATIONS AND QUESTIONS</u></p> <p>None.</p>	
90.	<p><u>MAYOR’S ANNOUNCEMENTS</u></p> <p>None.</p>	
90a.	<p><u>LIST OF OFFICIAL MAYORAL/DEPUTY MAYORAL ENGAGEMENTS</u></p> <p>RESOLVED THAT:</p>	

	The list of Official Mayoral Engagements attended by The Mayor and, or, Deputy Mayor be noted by Members.	
91.	<p><u>LEADER'S STATEMENT</u></p> <p>The Leader of the Council, Councillor J W Boyce, noted the upcoming elections for Leicestershire County Council due to be held on Thursday, 4 May 2017 and wished all candidates the best of luck in their respective campaigns.</p>	
92.	<p><u>MEMBERS' ALLOWANCE SCHEME 2017/18</u></p> <p>The Council gave consideration to the report and appendices (at pages 22 - 23) together with the supplementary agenda update (at pages 1 - 7) as delivered as summarised by the Chief Executive which should be read together with these minutes as a composite document.</p> <p>The Leader of the Council expressed his gratitude to the Panel Members of the Independent Remuneration Panel (IRP).</p> <p>With reference to the resolution of the Council on 19 April 2016, the Leader reiterated that the Council was minded to successively adopt the Members' Allowance Scheme ("the Scheme") in its current format for the next three years until May 2020.</p> <p>The Leader amended to the substantive recommendations, namely that the rate of the following Special Responsibility Allowances (SRA's) remain at £1,000 for the:</p> <ul style="list-style-type: none"> • Vice Chairman of Council (Deputy Mayor) • Vice Chairman of Licensing & Regulatory Committee • Generic Task Group Chairman Allowance • Change Management Committee Chairman • Community Engagement Group Chairman • Children and Young People Forum Chairman • Greening of the Borough Working Group Chairman • Community Safety Partnership Chairman • Place Shaping Working Group Chairman • Health and Wellbeing Board Chairman • Residents Forum Chairman <p>The Leader of the Council moved the recommendation(s) as recommended by the IRP (as set out at Appendix 1a) as amended (at Appendix 1b).</p> <p>The Deputy Leader of the Council, Councillor M H Charlesworth, seconded the recommendation(s) as amended.</p> <p>UNANIMOUSLY RESOLVED THAT:</p> <p>The Scheme for Members' Allowance for 2017/18, as recommended by the Independent Remuneration Panel, be adopted as amended.</p>	
93.	<p><u>PRUDENTIAL INDICATORS, TREASURY AND INVESTMENTS STRATEGIES 2017/18</u></p>	

	<p>The Council gave consideration to the report and appendices (at pages 33 - 52), as delivered and summarised by the Interim Chief Finance Officer (Section 151 Officer) which should be read together with these minutes as a composite document.</p> <p>Councillor Mrs S B Morris moved the recommendations <i>en bloc</i> as set out at paragraphs 2.1 to 2.3 of the report.</p> <p>Councillor Mrs H E Loydall seconded the recommendations.</p> <p>UNANIMOUSLY RESOLVED THAT:</p> <ul style="list-style-type: none"> (i) The Prudential Indicators for 2017/18 (set out at Appendix 1) be approved; (ii) The Treasury Strategy and Plan for 2017/18 (set out at Appendix 2) be approved; and (iii) The Investment Strategy for 2017/18 to 2019/20 (set out at Appendix 3) be approved. 	
<p>94.</p>	<p><u>DRAFT SCHEDULE OF COUNCIL AND ALLIED MEETINGS 2017/18</u></p> <p>The Council gave consideration to the report and appendices (at pages 53 - 70) together with the supplementary agenda update (at pages 8 - 25) as delivered as summarised by the Senior Democratic Services Officer / Legal Officer which should be read together with these minutes as a composite document.</p> <p>The Leader of the Council and the Leader of the Opposition, Councillor B Dave, expressed their gratitude to the Senior Democratic Services Officer / Legal Officer for his work in compiling the draft Schedule.</p> <p>The Leader of the Council moved the recommendations <i>en bloc</i> as set out at paragraphs 2.1 to 2.2 of the report.</p> <p>Councillor D M Carter seconded the recommendations.</p> <p>UNANIMOUSLY RESOLVED THAT:</p> <ul style="list-style-type: none"> (i) The draft Schedule of Council and Allied Meetings for 2017/18 be noted by Members for information only; (ii) The proposed dates, times and venues of meetings for the municipal year 2017/18 be provisionally entered onto the Council's meeting management application. 	
<p>95.</p>	<p><u>PILOT WI-FI PROJECT FOR WIGSTON TOWN CENTRE</u></p> <p>The Council gave consideration to the report and appendices (at pages 71 – 73) as delivered and summarised by the Planning, Policy and Regeneration Manager which should be read together with these minutes as a composite document.</p> <p>The Leader of the Council commended the introduction of the Pilot Wi-Fi Project ("the Project"). He opined that economic development did not fall under the remit of Residents' Forums and thus confirmed that funds would</p>	

	<p>not be drawn from the same. The Leader further enquired as to the range of the proposed Project's infrastructure.</p> <p>The Planning, Policy and Regeneration Manager stated that the Project's infrastructure would predominantly extend to Bell Street and part of Leicester Road, Wigston.</p> <p>The Leader of the Council moved the recommendations <i>en bloc</i> as set out at paragraphs 2.1 to 2.2 of the report as amended.</p> <p>The Deputy Leader seconded the recommendations as amended.</p> <p>RESOLVED THAT:</p> <p>(i) A supplementary budget of £1,200 towards the first year revenue support for the Pilot Wi-Fi Project be approved; and</p> <p>(ii) A supplementary capital budget of 50% (£5,000) for the Pilot Wi-Fi Project in matched capital funding be approved, given that the Borough Council will commit to the future revenue costs of the scheme and that Leicestershire County Council has agreed to fund 50% (£5,000) of the installation costs.</p> <p>Votes For 22 Votes Against 0 Abstentions 1</p>	
<p>96.</p>	<p><u>RECEIVING OF MINUTES FOR INFORMATION</u></p> <p>With reference to the Minutes of the Meeting of the Community Safety Partnership held on Monday, 20 February 2017 at agenda item 14b, minute reference 37 (at pages 84 - 85), Councillor K J Loydall provided an update from the Leicestershire Fire and Rescue Service (LFRS) citing an email received from Wayne Gale, Station Manager for the Wigston & Western area regarding the two recent fires in the Borough.</p> <p>The Member expressed his sincere gratitude on behalf of all Members of the Council to all Officers who attended the recent Borough fires and stated that the Police and LFRS are working well together to keep all those in the Borough all safe.</p> <p>UNANIMOUSLY RESOLVED THAT:</p> <p>The minutes as set out at:</p> <p>(i) agenda item numbers 15a - 15g and 15k - 15m of main agenda document (pages 74 - 148); and</p> <p>(ii) agenda item numbers 15h - 15i of the supplementary agenda update document (pages 26 - 48)</p> <p>from the meetings of the below-mentioned Committees, Forums, Working Groups and Outside Bodies for the purposes of information be received by the Council.</p> <p>(a) Minutes of the Greening the Borough Working Group held on</p>	

	<p>Tuesday, 14 February 2017;</p> <p>(b) Minutes of the Community Safety Partnership held on Monday, 20 February 2017;</p> <p>(c) Minutes of the Oadby Residents' Forum held on Tuesday, 28 February 2017;</p> <p>(d) Minutes of the South Wigston Residents' Forum held on Tuesday, 07 March 2017;</p> <p>(e) Minutes of the Wigston Residents' Forum held on Monday, 13 March 2017;</p> <p>(f) Minutes of the Community Engagement Forum held on Tuesday, 14 March 2017;</p> <p>(g) Minutes of the Development Control Committee held on Thursday, 16 March 2017;</p> <p>(h) Minutes of the Service Delivery Committee held on Tuesday, 21 March 2017;</p> <p>(i) Notes of the Armed Forces Working Group held on Wednesday, 22 March 2017;</p> <p>(j) Minutes of the Policy, Finance and Development Committee held on Tuesday, 28 March 2017;</p> <p>(k) Minutes of the Health and Wellbeing Board held on Tuesday, 04 April 2017;</p> <p>(l) Minutes of the Change Management Committee held on Wednesday, 05 April 2017; and</p> <p>(m) Minutes of the Licensing and Regulatory Committee held on Thursday, 06 April 2017</p>	
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THE MEETING CLOSED AT 7.35 PM



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MAYOR
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TUESDAY, 23 MAY 2017
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Agenda Item 5

COUNCIL

ACTION LIST

ARISING FROM A MEETING HELD ON TUESDAY, 25 APRIL 2017

Min Ref.	Title	Action To Be Taken	Officer	Target Date	On Target
88a.	UK Youth Parliament - Curriculum for Life	To write to Sir Edward Garnier MP, and Justine Greening MP as Secretary of State for Education, indicating the Council's support of the 'Curriculum for Life' campaign led by the UK Youth Parliament, and seek their support in ensuring the UK-wide, youth-led review indicated above takes place.	RM MSm	May-17	Yes

Upcoming Mayoral Engagements 2017-2018

Mayor

June 17

04	Brocks Hill	Garden Party
06	Brocks Hill	Volunteering Fair
10	The Rt Revd Martyn & Dr Lynn Snow	Summer garden party
24	Tim Webster	Armed Forces Day, Service and Parade
30	Menphys	40th Anniversary Celebration

July 17

04	Leicester Racecourse	Ladies Day Window Campaign
13	Muslim School Oadby	Exam Results Day

August 17

05	Aylestone Lane Allotment Association	Aylestone Lane Allotment Day
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September 17

09	David Cawthorne	Grand Wigston Show Opening
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To Be Confirmed

June 17

11	O&W Lions Club	Let's Celebrate Concert
16	Lieutenant General Phil Jones CB CBE	Regimental Reception followed by a Sunset Ceremony

August 17

25	Leicester Children's Holiday Centre	Civic Visit of the Lord Mayor of Leicester and Others
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Agenda Item 10



Council	Tuesday, 23 May 2017	Matter for Information and Decision
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Title: **Housing and Property Development within the Borough**

Author: **Stephen Glazebrook (Interim Head of Community Services)**

1. Introduction

- 1.1. A briefing paper was circulated to all Members in October 2016 regarding the proposal to establish a Local Housing Company for the purpose of building new homes and property development within the Borough.
- 1.2. At its meeting on 01 November 2016, the Policy, Finance and Development (PFD) Committee resolved that:
 - a. Authority be given for officers to develop an implementation plan and Business Case for approval by this Committee
 - b. That initial legal costs associated with this proposal be capped at £10,000 up to the formation stage of the Company.
- 1.3. To give the Local Housing Company a separate identity from the Council, it proposed to call the company Bushloe Developments Limited ("the Company").

2. Recommendations

- 2.1. That a Council-owned housing and property development company is created to build Houses for rent and for sale and other property development.
- 2.2. That the Articles of Association of Bushloe Developments Limited be approved.
- 2.3. That final approval of the Business Plan is delegated to the Section 151 Officer.
- 2.4. Two Officers of the Council - Anne Court (Director of Services / Monitoring Officer) and Christopher Raymakers (Interim Finance and Accountancy Manager) be appointed as Directors of the Company.
- 2.5. That Stephen Glazebrook (Interim Head of Community Services) be appointed as an Independent Executive Director and will also perform the role as Company Secretary.
- 2.6. That the land at Bennett Way, South Wigston is sold to the Housing Company at market value.
- 2.7. That £100k is vired from existing budgets to provide an initial loan to the Company to cover its operating costs for 2017/18 and any contingencies that may arise.

3. Information

- 3.1. The Articles of Association Company govern how the Company will be run and are attached at **Appendix 3** and should be read in conjunction with this report.

- 3.2. A 5-year Business Plan for the new Company has been prepared and is attached at **Appendix 2**. The Company is scheduled to make a small loss in the first year moving into profit in the second year and as completed properties come on stream, income will steadily increase year on year.
- 3.3. The number of Directors to manage the Company shall not be less than 3. For as long as the Company is a controlled company, the Officer Director's shall not be paid but may be paid reasonable expenses in connection with attendance at meetings.
- 3.4. Whilst other options were considered in the presentation to Members in October 2016, it was generally felt that a Council-owned Housing Company is the most suitable option for Oadby and Wigston to help finance housing regeneration and contribute to the delivery of the Council's housing target. Additionally, this approach has the potential to generate additional revenue for the General Fund.
- 3.5. The Council has initially identified a number of key sites that it wishes to develop
 - Bennett Way, South Wigston
 - Churchill Close, Oadby
 - Various garage sites across the Borough

In addition it is intended to purchase a number of properties advertised for sale on the open market. In the first year it is intended to concentrate on the Bennett Way site in South Wigston. In addition there may be other Council owned sites that could be made available for development. Later on in the process there may be the opportunity for the Company to acquire sites on the open market.

- 3.6. The waiting list for social housing is a vital source of information which currently stands at around 500 applicants and the incidence of homelessness has increased by over 50% in the past 12 months.
- 3.7. The evidence clearly shows that there is a general shortage of housing to rent in Oadby, Wigston and South Wigston.
- 3.8. The Company would finance the construction by borrowing money from the Council on a commercial basis.
- 3.9. The properties would be let at either affordable or market rent and any properties developed for sale would be sold at market value. Any profits would be payable to the Council as dividends.
- 3.10. At the time of writing, the Council is able to obtain fixed rate funding from the Public Works Loans board at c2.7% for 40 year borrowing. Unless a compelling business case is presented at a future date, the intention of the Council would be to ensure all transactions with the wholly-owned Company would be based on fixed rates of interest in order to mitigate any financial risks due to future adjustments to variable rates over the loan/investment period. At the same time, the Council would look to fund the Company from other sources (e.g. capital receipts) to avoid the costs of borrowing and thus to increase net income from investments in the Company.
- 3.11. The Company although owned by the Council would be a separate entity, have its own identity and Board of Directors. However it could have its registered office as Bushloe House to keep costs down and use Council support services although the Company might choose to procure services from elsewhere.

- 3.12. The most appropriate legal structure is a company limited by shares as this will enable it to trade and generate surpluses from trading activity and distribute proceeds back to the Council as the only shareholder. This type of structure is widely accepted as most commercially appropriate and would be more valuable if it were successful and sold as a going concern in the future by the Council
- 3.13. The Council could transfer or provide land by way of a building licence into the Company on commercial terms. As the new Company will have no credit rating or track record it is unlikely to be able to borrow funds from traditional lending institutions. Therefore, the Council would need to act as the Company's funder and lend money to it in the short to medium term. The Council will need to have a legal charge over the Company's assets and an appropriate loan agreement and debenture in place to safeguard the Council. The Company will use the proceeds from rents and any sales to repay the loan. As it develops a track record it could then borrow from financial institutions in the future. The land and financial resources would then be used to build homes for rent, shared ownership or for sale. A Risk Assessment has been carried out and is attached at **Appendix 1**.
- 3.14. Legal advice has been sought from the law firm Sharpe and Prichard who have confirmed that the Council has the power to set up a commercial company to trade and provide a financial return to the Council. This includes transferring land to the Company to the Company so long as it is for the best consideration or at a price which achieves identifiable well being objectives. The Company does not have to pay for the land at the point of transfer. If the Council chooses to defer the receipt until the properties are built the issue of state aid would have to be considered at that time.
- 3.15. In terms of providing finance to the Company, so long as the Council lends the funds on a commercial basis as outlined above, it can do so from its own resources by way of internal borrowing or from borrowing from other sources itself and charging the Company an appropriate level of interest. In order to safeguard the Council's investment, it will also need to ensure that the Company's Business Plan is viable and that it can afford to repay the loan.
- 3.16. The Company will need to competitively procure and appoint a developer to build the properties and comply with European Union procurement requirements as appropriate. As the Council would be exercising control of the Company, there may be a need for it to provide guarantees under any contract entered with a developer due to the lack of any trading history of the Company at the beginning of its life. However, such guarantees would not extend to the Company's liabilities and indebtedness in the future unless the Council chose to provide such guarantees.
- 3.17. If approval is given to set up the Company, the Council will continue to receive ongoing external legal and financial advice on issues such as:
- setting up and training directors on the Company's board;
 - tax and financial accounting and audit advice;
 - advice on whether the Company's activities have any implications for Council tax setting;
 - drafting of loan funding agreements, debentures , standing orders and other associated legal documentation;
 - advice on land transfer / appropriation and stamp duty;
 - Right to Buy / Right to Acquire implications (if any);

- State aid; and
 - Business Plan sensitivity analysis and financial appraisal and cash flow projections.
- 3.18. With regard to the governance arrangements, it is proposed that a Council Advisory Board would be responsible for ensuring the Company delivered housing development in accordance with the agreed Business Plan and would receive performance reports at regular intervals. The Advisory Board consisting of the Leader of the Council, 2 Councillors together with the Chief Executive and the Section 151 officer will also be responsible for approving any variations to the delivery of the Business Plan.
- 3.19. The Council as the only shareholder would appoint all the Directors of the Company, who would be under a duty to ensure that all their decisions were in the interests of the Company and not the Council as required to do so by the Companies Act 2006. These duties include the following:
- to act with powers;
 - to promote the success of the Company;
 - to exercise judgment;
 - to exercise reasonable care, skill and diligence;
 - to avoid conflicts of interest;
 - not to accept benefits from third parties; and
 - to declare interest in proposed transaction or arrangement
- 3.20. From a practical perspective, they will be charged with the responsibility of:
- ensuring the Business Plan that is approved by the Council is delivered;
 - submission of the annual return to Companies House;
 - production and submission of annual accounts to Companies House and HM Revenue and Customs;
 - notification of any changes in the Company's Officers or in their personal interests;
 - notification of a change to the companies registered office;
 - allotment of shares; and
 - registration of charges.
- 3.21. The same Act also governs the liability of the Directors and in order to avoid conflicts they should not be involved in the Council's decision making process for lending money, transferring land or planning process. It is important that the Council's representatives nominated to serve as Directors have the necessary skills to discharge these duties and responsibilities. It is therefore proposed that up to two Officers of the Council - Director of Services / Monitoring Officer and the Interim Finance and Accountancy Manager - are appointed to act as Directors of the Company who have the experience and capability to make decisions in relation to the management of housing development schemes and large scale financial and project management experience.

4. Conclusion

This report sets out how new house building in Oadby and Wigston can be achieved. This approach will enable the Council to achieve its house building objectives and provide it with the overall control as the sole shareholder and any surpluses will be returned to the Council.

Background Documents:-

- a. Report entitled 'Housing Development in the Borough' of the Interim Head of Community Services presented at the Policy, Finance and Development Committee Meeting on 01 November 2016;
- b. Appendix 1 - Risk Assessment
- c. Appendix 2 - Business Plan
- d. Appendix 3 - Articles of Association
- e. Appendix 4 - Equality Assessment (Initial Screening)

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Implications	
Financial (CR)	<i>CR1 In/Decreasing Financial Resources</i> - The Local Housing Company will generate additional income for the general fund.
Legal (AC)	Our Legal advisors have confirmed the Council has the necessary powers to set up a commercial company.
Risk (SG)	Please see risk assessment attached at <i>Appendix 1.</i>
Corporate Priorities (SG)	The new Housing Company will seek to address the Council's Corporate Priorities by using modern methods of construction including the highest levels of energy conservation, providing green and safe places for people to live.
Vision and Values (SG)	The new Housing Company will seek to work within the Council's chosen Vision and Values and will adopt innovative solutions to provide new housing in the Borough.
Equalities (SG)	An Initial Screening is attached at <i>Appendix 4.</i>
	Equality Assessment:- <input checked="" type="checkbox"/> Initial Screening <input type="checkbox"/> Full Assessment <input type="checkbox"/> Not Applicable

Risk Assessment of Council Owned Local Housing Company

Risk	Risk Assessment	Risk Level	Risk Management
Financial	Default on loan to Council by the Housing Company	Medium	Council can provide loans in stages to limit exposure to this risk and have loan agreements in place and a charge on the Companies assets
Financial	The Council is unable to get its loan back if the Company gets in to financial difficulty	Medium	Using a building licence would protect the Council. The land would not transfer until the properties are completed. The Company's creditors could not get hold of the land as a company asset if it got into trouble.
Delivery of new housing	The predicted new housing is not built as planned	Medium	The Company would have in place a detailed business plan which sets out the delivery arrangements. As land and Finance is to be provided by the Council this would minimise the risk
Sales Risk	Newly built homes cannot be sold	Medium	A professional sales agent will be employed to market and sell the properties. The properties could also be rented to generate an income to service the debt

APPENDIX 2

Bushloe Developments Ltd

Business Plan

May 2017

Contents

- 1 The Purpose and objectives of the Company**
- 2 The benefits of operating as a company**
- 3 The structure of the company**
- 4 The company financial plan**
- 5 Risks, issues and mitigations**
- 6 Key Targets**

1. The Purpose of the Company

- 1.1 Oadby and Wigston Borough Council has a desire to build homes in its own right but is precluded from doing so due to borrowing constraints.
- 1.2 The Council currently has around 500 families on its housing register and there has been a 50% increase in homelessness in the last year.
- 1.3 By forming a local housing company it will assist the Council in addressing the demand for affordable homes, reduce homelessness and also to provide a valuable source of income for the Council.
- 1.4 The primary purpose of the company will be to deliver new homes but will also have the ability to engage in other commercial activities. Properties will be let at both affordable and market rents subject to demand.
- 1.5 The secondary purpose of the company will be to carry out business development activities, to research new ways and opportunities by which it could support the achievement of the council's wider objectives. Some ancillary expenditure towards this purpose is anticipated in the initial business plan period. The company will then present proposals, in the form of a revised business plan, for approval by the council, ideally before the end of the 2017/18 financial year.

2. The benefits of operating as a company

- 2.1 As a wholly owned, Local Authority Company, the company will operate at 'arms length' from OWBC, with the remit of providing affordable/market rented accommodation to households for which OWBC has a responsibility.
- 2.2 The company would be set up with the following requirements:
 - After the initial set up period, the company operates with a retained surplus The company will have discretion over the individual properties it acquires or develops
 - They are in a suitable location within Oadby and Wigston.
 - That 30 % of the homes will be affordable.

3. The structure of the company

3.1 The company will be set up as a company limited by shares, initially providing affordable and market rent homes.

3.2 The company will be named Bushloe Developments Ltd.

3.3 The company's registered office will be:

Bushloe House
Station Road
Wigston
Leicestershire
LE18 2DR

3.4 The Company's Memorandum of Association and Shareholders Agreement are as set out in the relevant documents.

3.5 The Board of the Company will be chaired by an Independent Director Stephen Glazebrook. The other directors of the company will be:

- Anne Court Director of Services OWBC
- Chris Raymakers Finance Manager OWBC

3.6 In terms of Governance there will be an advisory Board consisting of:

- Leader of the Council and 2 Elected members
- The Chief Executive and the Section 151 Officer of OWBC

3.7 The company may purchase some services under a Service Level Agreement with OWBC including

Support Services Property
Services

3.8 The Company may purchase such other services as may be required to discharge this business plan under contract procured to demonstrate value for money including but not limited to:

Property management and routine maintenance Major
maintenance and refurbishment
Rent collection and debt recovery
Buildings Insurance
White Goods
Professional services for business development activities, to the extent that
these are affordable and consistent with the governance framework.

4. The Company Financial Plan

4.1 Property Portfolio

4.1.1 The intention is that Bushloe Developments will seek to build new homes, purchase existing properties for sale on the open market and acquire gifted properties as a part of Section 106 Agreements and to manage the new proposed homeless hostel at Belmont House, Station Road, Wigston

4.1.2 The plan for the acquisition of properties (say 20) would commence during 2017/18 and will continue until the end of the 2018/19 and possibly beyond subject to finance being available

4.1.3 For the company to be financial secure it is important that the right mix of properties be developed and acquired.

4.1.4 In terms of the acquisition of existing properties the intention is that a broad portfolio of properties will be purchased within specific areas:

- Oadby (average house price £212K)
- Wigston (average house price £ £177K)
- South Wigston (average House price £163K)

4.1.5 To be a sustainable viable company a minimum excess of income from rental above operational costs will be required. In developing or purchasing a property, this margin can be expressed as a Gross Margin as a percentage of the rental compared to the final purchase price.

4.2 Capital Investment

4.2.1 Capital Expenditure

4.2.1.1 Modelling the development costs of 2 identified sites and the acquisition of 20 properties during the first 2 years suggests a Capital requirement of about £10 million (depending upon the average gross yield achieved and the mix of properties acquired.

4.2.1.2 For a given indicative pool of properties, the capital requirement reduces as the Gross Margin increases.

4.2.1.3 The funding model is based on a 'bullet payment'. The company services interest on the debt only, the debt (and equity) being repaid upon the liquidation of the asset.

4.2.2 Funding of capital investment

4.2.2.1 The capital investment can be funded from a mixture of loan and equity capital. The amount that the company can afford to borrow will be determined by the availability of revenue funding to meet the interest payments on any borrowing. The amount of revenue funding available to meet repayments on capital will be driven by the Gross Margin.

4.2.2.2 As the Gross Margin increases, the amount of income generated from rents increases in proportion to the amount borrowed. Any capital that the company cannot raise through borrowing could be made available from OWBC in the form of Equity in the company.

Equity would be an investment in the company whereby the financial return on the investment would take the form of dividends (annual share of any profits) or on liquidating the company's assets at some time in the future. If (say) the Authority lent the company 95% of its capital requirement and made the rest available as equity, a 1% p.a. rise in the value of the property would represent a 20% p.a. growth in the value of the equity held in the company (before tax).

4.3 Company Operational Finance

4.3.1 Company Turnover

Based on a final investment portfolio of up to £ 10m and a Gross Margin of 5%, the estimated turnover of the company would be £110K in the first year of operation, rising to £646K in year 3 once the development programme has been completed and the properties let to tenants.

4.3.2 Operational Expenses

4.3.2.1 The company will operate with minimal operational expenses. There will be a core company cost including the salary costs of the managing director. Other costs include property management, finance and legal, and directors expenses (LHC). In addition there will be costs associated with re-letting properties, minor and major maintenance, voids and bad debts. Allowance for all of these costs has been included in the financial modelling.

4.3.3 Company Tax Status

4.3.3.1 As a limited company registered under UK company law, the company will be liable to pay UK taxation on:

- VAT on inputs into the company – charges from the Local Authority and contracts for maintenance and management of the portfolio of properties. The company would not be able to offset VAT as the value of taxable supplies will be very small
- Corporation Tax – a taxation of the profits made by a company
- Capital Gains Tax – a tax upon the rise in the financial value of an asset

4.3.3.2 In addition, the company would be liable to pay Stamp Duty Land Tax on purchases for the property portfolio.

4.3.4 Financial performance

4.3.4.1 The company's financial performance is dependent upon a number of variables:

- The profile of the properties within the portfolio
- The timing of the development and purchase of the properties
- The Interest rate charged on any borrowing

- The costs of refurbishing prior to first let
 - The length of time between purchase and first occupancy
- Annual running costs and rental income

4.3.4.2 Based on these assumptions the financial model suggests that an overall loan to equity split of 95% loan, 5% equity maintains the right balance between benefits to the local authority and the viability of the company.

4.3.4.3 Modelling using the parameters outlined earlier in the business plan and the assumption contained within appendix 1, the company is forecast to begin operating at a profit from year 2 onwards.

4.3.4.4

5 yr Summary Forecast Trading Statement	Year					
	0	1	2	3	4	5
		£'000's	£'000's	£'000's	£'000's	£'000's
Gross Rental Income	0	110	379	646	1,062	1,478
Management / Maintenance and Bad Debts / Voids etc.		(22)	(76)	(130)	(212)	(281)
LHC Costs	(10)	(100)	(100)	(100)	(100)	(100)
Net Operating Income	(10)	(12)	203	416	750	1,097
Debt Financing		(70)	(140)	(210)	(360)	(360)
Working Capital	10	82	0	0	0	0
Net Operating Profit / (Loss)	0	0	63	206	390	737
Corporation Tax	0	0	13	41	78	147
Retained Profit	0	0	(50)	(165)	(312)	(590)
Retained Profit (Cumulative)	0	0	(50)	(215)	(527)	(1,117)

4.3.5 Cash Flow

4.3.5.1 A 24 month Cash Flow forecast indicates that the company will need a working capital facility of £100,000 until year 2, at which point it begins to accumulate retained surpluses. Interest on any working capital facility has been calculated at the same rate as the overall capital interest rate charged on the borrowing element of the development/property purchases.

5. Sensitivity Analysis, risks, Issues and mitigations

5.1 Sensitivity Analysis

5.1.1 Operating at LHA rental income, the company operational financial margins are small. For that reason it is proposed that the company will offer a mixture of affordable and market rent tenancies. Therefore the company needs to be sensitive to a number of factors that underpin its performance. The key Factors being:

- Gross Margin Inflation
- Management of voids and bad debts
- Property portfolio

5.2 Risks, Issues and Mitigations

5.2.1 There are a number of financial risks facing the company. The sensitivity analysis shows that the biggest risk is at the acquisition/development stage. It is critical to the sustainability of the company that the right mix of properties is acquired for the portfolio.

5.2.2 Analysis of risks, issues and mitigations

Risk / Issue	Impact	Mitigation
Portfolio of properties does not achieve the target Gross Margin The portfolio of properties can sustain the company for the early years, but is not able to sustain for the full 30 year plan	The relative income from property rentals at LHA rates is insufficient to fund the full business plan of the Company The company becomes insolvent	Property acquisition is targeted to achieve the target gross margin. Properties could be transferred to a different rent model with a higher yield than LHA rents.
LHA income inflation does not achieve the increases in the model	The company cannot achieve the required income levels	Properties could be transferred to a different model of social rent with a higher yield than LHA rents
Cost Inflation is higher than included in the model	The company's cost base is higher than that included in the model	Properties could be transferred to a different rent model with a higher yield than LHA rents
Contract management / re-let and maintenance costs are higher than modelled	The company's cost base is higher than that included in the model	Properties could be transferred to a different rent model with a higher yield than LHA rents

6. Key Targets

6.1.

Key Target	Measure	Impact	Verification
Gross Margin	Greater than 4% for affordable housing and Greater than	A minimum gross margin is required in order to make the company sustainable and a higher margin is expected from	

	5% for Market rents	commercial investments	Based on detailed financial analysis underpinning the company business plan
Borrowing	95%	A 0.2% increase in the Gross margin will increase the income available to the business by £ 60K over the 30 year business plan	
Equity	5%	Higher revenue costs or below target gross margin will	
Cash Flow	Peak working capital requirement	The company requires a working capital (cash flow) facility during the initial business plan period whilst properties are developed/ purchased, refurbished and first let	

6.2. These key targets are dependent upon a number of key variables that underpin the finance model in the company business case

Tax	Corporation tax, VAT, Stamp Duty and Land Tax		The model informs the potential for payment of Tax
Turnover	4 year average tenancy turnover	A higher turnover of properties would increase the number of families housed but would potentially increase void maintenance costs and potentially rent loss	The average turnover has been modelled based on experience.
Housing Management and Maintenance Service	10%	A higher cost would reduce the share income available for loan repayment. A lower cost would increase the stability of the company and support an increased loan to equity ratio borrowing ratio or provide funds for additional investment	The rate per property has been based upon market knowledge
Insurance	£200 per property p.a	A cost at variance to this would have an impact on the financial model	This is based upon experience. The final property portfolio will drive the insurance costs. Internet research suggests that the average cost of buildings insurance in the consumer market is £84 p.a.
Void and	1.5% void	A higher cost would reduce	The expectation is

Bad debt	2% bad debt	the share of income available for loan repayment. A lower cost would increase the stability of the company and support an increased loan to equity ratio borrowing ratio or provide funds for additional investment	that the client group would be likely to be able to meet rent obligations.
Major works	0.5% of property value per annum after 4 years	A 1% increase/decrease in the Major Works costs would result in an increase or decrease of the business plan of plan period	The actual cost of major works will be tested during the life of the business case. The cost of works will be flexed depending upon the condition of the property at point of re-let.

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
BUSHLOE DEVELOPMENTS LIMITED
Company number 10535653
Adopted by special resolution on
2017

Introduction

1. INTERPRETATION

1.1. The following definitions and rules of interpretation apply in these Articles:

Act: means the Companies Act 2006.

Articles: means the company's articles of association for the time being in force.

Business Day: means any day other than a Saturday, Sunday or public holiday in England on which banks in London are open for business.

Controlled Company: means a company within the meaning of Regulation 1(4) of the Local Authorities (Companies) Order 1995.

Council: means Oadby and Wigston Borough Council, 40 Bell Street, Wigston, Leicestershire, LE18 1AD.

Eligible Director: means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter).

Independent Director: means a director appointed in accordance with these Articles who is not an Officer Director.

Model Articles: means the model articles for private companies limited by guarantee contained in Schedule 2 of the Companies (Model Articles) Regulations 2008 (*SI 2008/3229*).

Officer Director: means a director who is an officer of the Council.

Reserved Matters: means the matters reserved for the consent of the Council, as more particularly set out in Schedule 1.

- 1.2. The Model Articles shall not apply to the Company.
- 1.3. Save as otherwise specifically provided in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.4. Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.5. A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.6. Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as it is in force on the date when these Articles become binding on the Company.
- 1.7. A reference to a statute or statutory provision shall include all subordinate legislation made as at the date on which these Articles become binding on the Company under that statute or statutory provision.
- 1.8. Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.9. Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

Local authority company

2. DIRECTORS' GENERAL AUTHORITY

- 2.1. Subject to the Articles, and in particular Article 3, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.
- 2.2. The directors shall exercise the powers of the Company ensuring at all times that:
 - 2.2.1. for so long as the Company is a Controlled Company, the Company shall not engage in activities for party political purposes or publish, or arrange for the publication of, any material which, in whole or in part, appears to be designed to affect public support for a political party;
 - 2.2.2. for so long as the Company is a Controlled Company, the Company shall not give financial or other assistance to a person for the publication of material which the Company is prohibited by Article 2.2.1 from publishing itself; and
 - 2.2.3. for as long as the Company is a Controlled Company, the Company shall have mentioned on all documents (being of any kind mentioned in section 82 of the Act) the facts that it is a company controlled by the Council, a local authority.

3. COUNCIL RESERVED POWER

- 3.1. The Council may, by special resolution, direct the directors to take, or refrain from taking, specified action.
- 3.2. No such special resolution invalidates anything which the directors have done in accordance with the powers available to them before the passing of the resolution.
- 3.3. The directors shall not engage in any of the Reserved Matters detailed in Schedule 1 without the prior written consent of the Council.

Decision-making by directors

4. DIRECTORS TO MAKE DECISIONS COLLECTIVELY

- 4.1. The general rule about decision-making by directors is that any decision of the directors must be a majority decision taken in one of the following ways:
 - 4.1.1. at a meeting of the directors;
 - 4.1.2. by written resolution, copies of which have been signed by a majority of the Eligible Directors or to which a majority of the Eligible Directors have otherwise indicated agreement in writing; or
 - 4.1.3. by a majority of the Eligible Directors indicating to each other, by any means, that they share a common view on a matter.
- 4.2. A decision may not be taken in accordance with articles 4.1.1 or 4.1.3 if the Eligible Directors purporting to take the decision would not have formed a quorum at such a meeting.

5. CALLING A DIRECTORS' MEETING

- 5.1. Meetings of the directors will take place on a quarterly basis with the date of each quarterly meeting to be notified to each director on not less than 15 Business Days' notice (or such lesser notice as all the directors may agree).
- 5.2. In addition and without prejudice to article 5.1, any director may call a directors' meeting by giving not less than 5 Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.
- 5.3. Notice of any directors' meeting must indicate:
 - 5.3.1. its proposed time and date;
 - 5.3.2. where it is to take place;
 - 5.3.3. an agenda for the meeting setting out in reasonable detail the items to be discussed at the meeting; and
 - 5.3.4. if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

- 5.4. Notice of a directors' meeting shall be given to each director in writing (which includes by email).

6. PARTICIPATION IN DIRECTORS' MEETINGS

- 6.1. Any or all of the directors may participate in a meeting of the directors by means of conference telephone or conference video or similar communications equipment so that all persons participating in the meeting can hear each other and participation in the meeting in this manner shall be deemed to constitute presence in person at such meeting and subject to these Articles and the Act, a director shall be entitled to vote and be counted in the quorum accordingly.

7. QUORUM FOR DIRECTORS' MEETINGS

- 7.1. No business shall be transacted at any directors' meeting unless a quorum is present.
- 7.2. The quorum shall be two directors consisting of one Officer Director and one Independent Director.
- 7.3. For the purposes of any meeting (or part of a meeting) held pursuant to article 10.2 to authorise a director's conflict, if there is only one Eligible Director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.
- 7.4. If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:
- 7.4.1. to appoint further directors; or
 - 7.4.2. to call a general meeting so as to enable the shareholders to appoint further directors.

8. CHAIRING OF DIRECTORS' MEETINGS

- 8.1. The Council may appoint any director as chair of the board of directors (the **Chair**) and may at any time remove him or her from office. Unless he or she is unwilling to do so, the director appointed as Chair shall preside at every meeting of directors at which he or she is present. The first Chair of the Company shall be an Independent Director.
- 8.2. If there is no director holding the office of Chair, or if the director holding office is unwilling to preside or is not present within fifteen minutes after the time appointed for the meeting the directors present may appoint one of the other directors present to be Chair of the meeting.
- 8.3. If for any item of business the Chair or person appointed to preside over the meeting is prevented from participating in that business by virtue of article 10 or article 11 another director will be appointed to preside over the meeting for that business only.

9. CASTING VOTE

- 9.1. If the numbers of votes for and against a proposal at a meeting of directors are equal, the Chair or other director chairing the meeting shall have a casting vote.

10. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

- 10.1. For the purposes of this article 10 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of that director.
- 10.2. Whenever a director has an interest in a matter to be discussed at a meeting of the directors, the director concerned shall declare such interest in accordance with the Act at or before discussions begin on the matter and unless either the board resolves otherwise or his interest in a matter arises solely as a result of his employment by the Council, the director shall:
 - 10.2.1. not be considered an Eligible Director for that item;
 - 10.2.2. not be counted in the quorum for that part of the meeting; and
 - 10.2.3. not be entitled to vote on the matter.
- 10.3. For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.
- 10.4. If a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may before the conclusion of the meeting, be referred to the chair whose ruling in relation to any director of than the chair is to be final and conclusive.
- 10.5. If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chair, the question is to be decided by a decision of the directors at that meeting, for which purpose the chair is not to be counted as participating in the meeting (or that part of the meeting) for voting and quorum purposes.

11. DIRECTORS' CONFLICTS OF INTEREST

- 11.1. The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (and "**Interested Director**") breaching his duty under section 175 of the Act to avoid conflicts of interest (a "**Conflict**").
- 11.2. Any authorisation under this article 11 will be effective only if:
 - 11.2.1. the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
 - 11.2.2. any requirement as to the quorum for consideration of the relevant matter is met without counting the Independent Director; and
 - 11.2.3. the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

- 11.3. For the purposes of sections 175 and 180(4) of the Act and for all other purposes, it is acknowledged that a director may be or become subject to a Conflict as a result of his also being or having been (or being party to an agreement or arrangement or understanding or circumstances under which he may become) an employee, director, trustee, member, partner, officer or representative of, or a consultant to, or a direct or indirect investor in and/or otherwise involved with or interested in, any of the Council, its subsidiaries, any of its holding companies or any subsidiary of any of its holding companies (as such terms are defined in section 1159 of the Act) or any of its shareholders.
- 11.4. No director shall be in breach of the duty to avoid conflicts of interest in section 175 of the Act as a result of, and no authorisation is required in respect of, any Conflict envisaged by article 11.3 having arisen or existing in relation to him.

12. RECORDS OF DECISIONS TO BE KEPT

- 12.1. Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

13. NUMBER OF DIRECTORS

- 13.1. Unless otherwise determined by ordinary resolution, the number of directors shall not be less than three.

14. APPOINTMENT OF DIRECTORS

- 14.1. Notwithstanding any other provisions of these Articles, the Council may at any time and from time to time appoint any person (including, without limitation, an Independent Director) to be a director or remove any director from office. Every such appointment or removal shall be effected by notice in writing and signed by on behalf of the Council. Such notice shall take effect immediately (or on such later date, if any, specified in the notice), upon deposit of the notice at the registered office of the Company marked for the attention of the directors.
- 14.2. Subject to the approval of the Council, the board of directors may appoint a person (including, without limitation, an Independent Director) who is willing to act as a director either to fill a vacancy or as an additional director including the appointment of a director for a fixed term.
- 14.3. No person may be appointed as a director in such circumstances such that he or she would have been disqualified from acting under the provisions of article 15.

15. TERMINATION OF DIRECTORS' APPOINTMENT

- 15.1. A person ceases to be a director as soon as:
- 15.1.1. that person ceased to be a director by virtue of any provision of the Act or is prohibited from being a director by law;
 - 15.1.2. a bankruptcy order is made against that person;
 - 15.1.3. a composition is made with that person's creditors generally in satisfaction of that persons' debts;

- 15.1.4. a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- 15.1.5. by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- 15.1.6. a director admits guilt to or is convicted by a court of competent jurisdiction of an offence involving dishonesty or for an offence that results in a custodial prison sentence;
- 15.1.7. notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms;
- 15.1.8. in the case of an Independent Director, that person ceases to be engaged by the Council; or
- 15.1.9. in the case of an Officer Director, that person ceases to be an officer of the Council.

16. DIRECTORS' EXPENSES

- 16.1. The Company may pay reasonable expenses which the directors properly and reasonably incur in connection with their attendance at:
 - 16.1.1. meetings of directors or committees of directors; or
 - 16.1.2. general meetings.
- 16.2. Directors' expenses shall be paid in accordance with any rules or procedures authorised by the Council.
- 16.3. For so long as the Company is a Controlled Company, the Company shall not pay a director who is an Officer Director or an Independent Director expenses in respect of the carrying out of any duty on behalf of the Company in excess of the greatest amount which would for the time being be payable by the Council if the relevant duty were an approved duty for the purposes of section 174 of the Local Government Act 1972.

17. SECRETARY

- 17.1. The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

Shares and distributions

18. ALL SHARES TO BE FULLY PAID UP

- 18.1. No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue.

19. POWER TO ISSUE DIFFERENT CLASSES OF SHARE

- 19.1. Subject to the Articles, but without prejudice to the rights attached to any existing share, the Company may issue shares with such rights or restrictions as may be determined by ordinary resolution.
- 19.2. The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company and the directors may determine the terms, conditions and manner of redemption of any such shares.

20. COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS

- 20.1. Except as required by law, no person is to be recognised by the Company as holding any share upon any trust, and except as otherwise required by law or the Articles, the Company is not in any way to be bound by or recognise any interest in a share other than the shareholder's absolute ownership of it and all the rights attaching to it.

21. SHARE CERTIFICATES

- 21.1. The Company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
- 21.2. Every certificate must specify:
- 21.2.1. in respect of how many shares, of what class, it is issued;
 - 21.2.2. the nominal value of those shares;
 - 21.2.3. that the shares are fully paid; and
 - 21.2.4. any distinguishing numbers assigned to them.
- 21.3. No certificate may be issued in respect of shares of more than one class.
- 21.4. If more than one person holds a share, only one certificate may be issued in respect of it.
- 21.5. Certificates must:
- 21.5.1. have affixed to them the Company's common seal, or
 - 21.5.2. be otherwise executed in accordance with the Act

22. REPLACEMENT SHARE CERTIFICATE

- 22.1. If a certificate issued in respect of a shareholder's shares is:

- 22.1.1. damaged or defaced; or
- 22.1.2. said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.
- 22.2. A shareholder exercising the right to be issued with such a replacement certificate:
 - 22.2.1. may at the same time exercise the right to be issued with a single certificate or separate certificates;
 - 22.2.2. must return the certificate which is to be replaced to the company if it is damaged or defaced; and
 - 22.2.3. must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the director decide.

23. SHARE TRANSFERS

- 23.1. Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors which is executed by or on behalf of the transferor.
- 23.2. No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 23.3. The Company may retain any instrument of transfer which is registered.
- 23.4. The transferor remains the holder of share until the transferee's name is entered in the register of members as holder of it.
- 23.5. The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

24. TRANSMISSION OF SHARES

- 24.1. If title to a share passes to a transmittee, the Company may only recognise the transmittee as having any title to that share.
- 24.2. A transmittee who produces such evidence of entitlement to shares as the directors may properly require:
 - 24.2.1. may, subject to the Articles, choose either to become the holder of those shares or to have them transferred to another person; and
 - 24.2.2. subject to the Articles, and pending any transfer of the shares to another person, has the same rights as the holder had
- 24.3. But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

25. EXERCISE OF TRANSMITTEES' RIGHTS

- 25.1. Transmittees who wish to become the holders of shares to which they have become entitled must notify the Company in writing of that wish.
- 25.2. If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it and obtain approval from the directors.
- 25.3. Any transfer made or executed under this Article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

26. TRANSMITTEES BOUND BY PRIOR NOTICES

- 26.1. If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members.

Dividends and other distributions

27. PROCEDURE FOR DECLARING DIVIDENDS

- 27.1. The Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 27.2. A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- 27.3. No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- 27.4. Unless the ordinary resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the ordinary resolution or decision to declare or pay it.
- 27.5. If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.
- 27.6. The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 27.7. If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

28. PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS

28.1. Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:

28.1.1. transfer to a bank or building society account specified by the recipient either in writing or as the directors may otherwise decide;

28.1.2. sending a cheque made payable to the recipient by post at its registered address (if the recipient is a holder of the share), or (in any other case) to an address specified by the recipient either in writing or as the directors may otherwise decide;

28.1.3. sending a cheque made payable to such person by post to such person at such address as the recipient has specified either in writing or as the directors may otherwise decide; or

28.1.4. any other means of payment as the directors agree with the recipient either in writing or by such other means as the directors decide.

29. NO INTEREST ON DISTRIBUTIONS

29.1. The Company may not pay interest on any dividend or other sum available in respect of a share unless otherwise provided by:

29.1.1. the terms on which the share was issued; or

29.1.2. with the permission of the directors

30. UNCLAIMED DISTRIBUTIONS

30.1. All dividends or other sums which are:-

30.1.1. payable in respect of shares; and

30.1.2. unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the directors for the benefit of the Company until claimed.

30.2. The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.

30.3. If:

30.3.1. twelve years have passed from the date on which a dividend or other sum became due for payment; and

30.3.2. the recipient has not claimed it,

the recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

31. NON-CASH DISTRIBUTIONS

- 31.1. Subject to the terms of issue of the share in question, the Company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).
- 31.2. For the purposes of paying a non-cash distribution, the directors may propose that the directors approve the:
 - 31.2.1. fixing the value of any assets;
 - 31.2.2. paying cash to any recipient on the basis of that value in order to adjust the rights of the recipient; and
 - 31.2.3. vesting any assets in trustees.

32. WAIVER OF DISTRIBUTIONS

- 32.1. A recipient may waive its entitlement to a dividend or other distribution payable in respect of a share by giving the Company notice in writing to that effect, but if:
 - 32.1.1. the share has more than one holder; or
 - 32.1.2. more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise, the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

Capitalisation of Profits

33. AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS

- 33.1. Subject to the Articles and obtaining the prior written consent of the Council, the directors may, if they are so authorised by an ordinary resolution:
 - 33.1.1. decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve; and
 - 33.1.2. appropriate any sum which they so decide to capitalise (a "Capitalised Sum") to the person who would have been entitled to it if it were distributed by way of dividend (the "Persons Entitled") and in the same proportions.
- 33.2. Capitalised Sums must be applied:
 - 33.2.1. on behalf of the persons entitled; and
 - 33.2.2. in the same proportions as a dividend would have been distributed to them.

- 33.3. Any Capitalised Sum may be applied in paying up new shares of a nominal amount equal to the Capitalised Sum which are then allotted credited as fully paid to the persons entitled or as they may direct.
- 33.4. A Capitalised Sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are then allotted credit as fully paid to the persons entitled or as they may direct.
- 33.5. The directors may:
- 33.5.1. apply Capitalised Sums in accordance with articles 31.3 partly in one way and partly in another;
 - 33.5.2. make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this Article (including the issuing of fractional certificates or the making of cash payments); and
 - 33.5.3. authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of share and debentures to them under this Article.

Decision-making by shareholders

34. SINGLE SHAREHOLDER COMPANY

- 34.1. If at any time and for so long as the Company has a single shareholder all provisions of these Articles shall (in the absence of any expressed provision to the contrary) apply with such modifications as may be necessary in relation to a company with a single shareholder.

35. GENERAL MEETINGS

- 35.1. Notwithstanding the provisions of the Act, the Company shall hold an annual general meeting (an **AGM**) in addition to any other general meetings that may be called.
- 35.2. An AGM shall be called by at least twenty-one clear days' notice or such shorter notice period on the agreement of all shareholders entitled to attend and vote.
- 35.3. A notice called an AGM shall specify the time and place of the meeting and the general nature of the business to be transacted.

36. ATTENDANCE AND SPEAKING AT GENERAL MEETINGS

- 36.1. A person is able to exercise the right to speak at a general meeting when that person is in a position communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 36.2. A person is able to exercise the right to vote at a general meeting when:
- 36.2.1. that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and

- 36.2.2. that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 36.3. The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 36.4. In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- 36.5. Two or more persons who are not in the same place as each attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

37. QUORUM FOR GENERAL MEETINGS

- 37.1. Two persons entitled to vote upon the business to be transferred, each being a member or a proxy for a member, shall be a quorum.
- 37.2. If and for so long as the Company has only one shareholder, then the sole shareholder or a duly authorised representative of the shareholder shall be a quorum.
- 37.3. The directors shall resolve to appoint a chairman of the meeting (the "Chair").

38. ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS

- 38.1. Directors may attend and speak at general meetings, whether or not they are shareholders.
- 38.2. The Chair of the meeting may permit other persons who are not:
 - 38.2.1. shareholders of the company; or
 - 38.2.2. otherwise entitled to exercise the rights of shareholders in relation to general meetings,to attend and speak at a general meeting, at his or her discretion.

39. ADJOURNMENT

- 39.1. If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the Chair must adjourn it.
- 39.2. The Chair may adjourn a general meeting at which a quorum is present if:
 - 39.2.1. the meeting consents to an adjournment; or
 - 39.2.2. it appears to the Chair that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- 39.3. The Chair must adjourn a general meeting if directed to do so by the meeting.

- 39.4. When adjourning a general meeting, the Chair must:-
- 39.4.1. either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors; and
 - 39.4.2. have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 39.5. If the continuation of an adjourned meeting is to take place more than fourteen (14) days after it was adjourned, the company must give at least seven (7) clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):-
- 39.5.1. to the same persons to whom notice of the company's general meetings is required to be given; and
 - 39.5.2. containing the same information which such notice is required to contain.
- 39.6. No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

40. VOTING

- 40.1. On a vote on a resolution on a show of hands, every shareholder who is present in person or (being a corporation) is present by a duly authorised representative shall have one vote only.

41. ERRORS AND DISPUTES

- 41.1. No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to, is tendered, and every vote not disallowed at the meeting is valid.
- 41.2. Any such objection must be referred to the Chair whose decision is final.

42. POLL VOTES

- 42.1. A poll on a resolution may be determined:-
- 42.1.1. In advance of the general meeting where it is to be put to the vote; or
 - 42.1.2. at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 42.2. A poll may be demanded by:
- 42.2.1. the Chair;
 - 42.2.2. the directors;
 - 42.2.3. two or more persons having the right to vote on the resolution; or

- 42.2.4. a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.
- 42.3. A demand for a poll may be withdrawn if:
 - 42.3.1. the poll has not yet been taken; and
 - 42.3.2. the Chair consents to the withdrawal.
- 42.4. Polls must be taken immediately and in such manner as the Chair directs.

Administrative arrangements

43. MEANS OF COMMUNICATION TO BE USED

- 43.1. Subject to the articles, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
 - 43.1.1. if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
 - 43.1.2. if sent by fax, at the time of transmission; or
 - 43.1.3. if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or
 - 43.1.4. if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
 - 43.1.5. if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or
 - 43.1.6. if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website; or
 - 43.1.7. if deemed receipt under the previous paragraphs of this article 43.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.
- 43.2. To prove service, it is sufficient to prove that:
 - 43.2.1. if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
 - 43.2.2. if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or

- 43.2.3. if sent by post the envelope containing the notice was properly addressed, paid for and posted; or
- 43.2.4. if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

44. INDEMNITY

44.1. Subject to article 44.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

44.1.1. each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

- i. in the actual or purported execution and/or discharge of his duties, or in relation to them; and
- ii. in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs; and

44.1.2. the company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 44.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

44.2. This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

44.3. In this article:

44.3.1. companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

44.3.2. a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

45. INSURANCE

- 45.1. The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.
- 45.2. In this article:
- 45.2.1. a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);
 - 45.2.2. a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company; and
 - 45.2.3. companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

SCHEDULE 1

RESERVED MATTERS

The Company shall only be permitted to engage in the following matters with the prior written consent of the Council:

1. Expenditure, acquisition and disposal

- a. Acquire land and other real property in excess of £500,000;
- b. Acquire or dispose of shares in any company;
- c. Acquire or dispose of a fixed asset with the value of more than £25,000;
- d. Acquire or dispose of an interest in whole or part of any property of any tenure.

2. Entering into contracts

- a. Enter into any arrangement outside of the normal course of the Company's business;
- b. Enter into any formal joint venture or partnership or profit sharing agreement;
- c. Enter into a contract or transaction except in the ordinary and proper course of business on arm's length terms;
- d. Enter into a commercial agreement with a total contract value above £50,000 or where the board of directors considers there is significant risk to the Council.

3. Loans and financing arrangements

- a. Create and fixed or floating charge or other encumbrance of the whole or part of the Company, its property or assets;
- b. Borrow any sum whatsoever on the Company's behalf;
- c. Make a loan or advance of any amount or give credit (other than normal trade credit) to any person;
- d. Enter into any lease arrangement for a single item above £25,000 other than with the Council.

4. Litigation

- a. Initiate, discontinue or settle any actual or threatened litigation or arbitration or compromise agreement other than recovery of debts in the ordinary course of business.

5. Altering or ceasing business

- a. Cease to carry on the business of the Company.

6. Guarantees and indemnities

- a. Give any guarantee or indemnity whatsoever where the Council is named as the parent company or guarantor.

7. Bank accounts

- a. Open or close any bank accounts.

8. Shareholdings

- a. Acquire, dispose or permit the disposal or dilution of:
 - i. Any direct or indirect interest in any subsidiary (if applicable);
 - ii. Any share or loan capital of any body corporate;
- b. Make changes relating to the Company's capital structure including reduction of capital, share issues and share buy backs.

9. Appointment and remuneration of executive directors

- a. Appoint a person to be a full time executive director of the Company;
- b. Determine the remuneration package and terms and conditions of employment for any full time executive director.

10. Business plan

- a. Vary the business plan for the time being adopted by the Company.

11. Corporate matters

- a. Appoint or remove the Company's accountants or auditors;
- b. Change the accounting reference date;
- c. Change the business name;
- d. Allot or issue any shares.



Oadby & Wigston
BOROUGH COUNCIL

EQUALITY ASSESSMENT

PART 1 - INITIAL SCREENING

Name of Policy/Function: Housing and Property Development within the Borough	<input checked="" type="checkbox"/>	This is new
	<input type="checkbox"/>	This is a change to an existing policy
	<input type="checkbox"/>	This is an existing policy, Function, not previously assessed
<input type="checkbox"/>	<input type="checkbox"/>	This is an existing policy/function for review

Date of screening	10 April 2017
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1. Briefly describe its aims & objectives

To establish a Local Housing Company for the purpose of building new homes and property development within the Borough.

2. Are there external considerations?

e.g. Legislation/government directive etc

None are apparent.

3. Who are the stakeholders and what are their interests?

- The Council who have sole ownership of the Company.
- All Borough Residents on whose behalf the Council operates and in turn may benefit from the proposed developments.
- Directors of the Local Housing Company who will have responsibilities associated with their roles.

4. What outcomes do we want to achieve and for whom?

To build accommodation for sale and rent in the Borough.

5. Has any consultation/research been carried out?

- Legal advice has been sought and obtained.
- Discussion has taken place at PFD and SDC.
- A presentation was made to all Members.
- The process has been exposed to the public through the Committee processes.

6. Are there any concerns at this stage which indicate the possibility of Inequalities/negative impacts?

Consider and identify any evidence you have -equality data relating to usage and satisfaction levels, complaints, comments, research, outcomes of review, issues raised at previous consultations, known inequalities) If so please provide details.

None are apparent.

7. Could a particular group be affected differently in either a negative or positive way?

Positive – *It could benefit*

Negative – *It could disadvantage*

Neutral – *Neither positive nor negative impact or not sure.*

	Type of impact, reason & any evidence
Disability	Positive - Properties will be built to current accessibility standards which may assist those with lower level physical disability. There is scope to consider the procurement of property through building or purchase for households whose needs cannot otherwise be met, exceptionally and in any event on a case by case basis
Race (including Gypsy & Traveller)	Neutral
Age	Neutral
Gender Reassignment	Neutral
Sex	Neutral
Sexual Orientation	Neutral

Religion/Belief	<i>Neutral</i>
Marriage and Civil Partnership	<i>Neutral</i>
Pregnancy and Maternity	<i>Neutral</i>

8. Could other socio-economic groups be affected

e.g. carers, ex-offenders, low incomes, homeless?

Low income households could be affected although the company will be expected to deliver 30% affordable housing. Some households may find market rent and open market sales to be unaffordable.

9. Are there any human rights implications?

Not applicable.

10. Is there an opportunity to promote equality and/or good community relations?

Not applicable.

11. If you have indicated a negative impact for any group is that impact legal?

i.e. not discriminatory under anti-discrimination legislation

Not applicable.

12. Is any part of this policy/service to be carried out wholly or partly by contractors?

Yes – the wholly-owned company, external architects and building contractors.

13. Is a Part 2 full Equality Assessment required?

No.

14. Date by which a Part 2 full Equality Assessment is to be completed with actions.

Not applicable.

Please note that you should proceed to a Part 2, the full Equality Impact Assessment if you have identified actual, or the potential to cause, adverse impact or discrimination against different groups in the community.

We are satisfied that an initial screening has been carried out and a full equality assessment **is not required*** (please delete as appropriate).

Completed by Stephen Glazebrook Date: 10/04/2017
(Policy/Function/Report written)

Countersigned by Anne Court Date: 10/04/2017
(*Head of Service*)

Please forward an electronic copy to: veronika.quintyne@oadby-wigston.gov.uk
(*Community Engagement Officer*)

Equality Assessments shall be published on the Council website with the relevant and appropriate document upon which the equality assessment has been undertaken.



Council	Tuesday, 23 May 2017	Matter for Decision
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Title: **Proposed Vice-Presidency of the Leicester Festival of Music and Drama**

Author: **Mark Hall (Chief Executive)**

1. Introduction

This report seeks a decision from Members as to whether the Office Holder of the Mayor of the Borough Council of Oadby and Wigston is appointed in perpetuity to the position of Vice-President of the Leicester Festival of Music and Drama ("the Festival").

2. Recommendations

That a decision be made by Members as to whether the Office Holder of the Mayor of the Borough Council of Oadby and Wigston be appointed in perpetuity to the position of Vice-President of the Leicester Festival of Music and Drama.

3. Information

- 3.1. The Mayor's Secretary received a letter from the Chairman of the Leicester Festival of Music and Drama inviting the Mayor of the Borough of Oadby and Wigston to accept the Vice-Presidency of the Festival. The letter received is attached as an **Appendix**.
- 3.2. It is understood that the invitation has been extended to the Mayor of Oadby and Wigston given the interest shown by previous Mayors in attending the Festival which in recent years has been hosted at Beauchamp College, Ridge Way in Oadby.
- 3.3. If Members are minded to approve the proposed appointment, the appointment will attach itself to the Office Holder of the Mayor as opposed to the respective individual elected to the Mayoral Office for any given municipal year. The appointment will therefore bind the sitting Mayor and her successors to the position and will be held in perpetuity until such time as the Council resolves that the appointment be resigned.

Background Documents:-

None.

Email: linda.wyatt@oadby-wigston.gov.uk

Tel: (0116) 257 2712

Implications	
Financial (CR)	No implications.
Legal (AC)	No implications.
Risk (SJB)	No implications.
Corporate Priorities (SJB)	The acceptance of the Vice-Presidency will contribute towards the Council's Corporate Priority in strengthening an 'Inclusive and Engaged Borough' by forging a formal relationship with the Festival. This should strengthen community engagement and cohesion

	throughout the Borough and our ties with and within Leicester/shire.
Vision and Values (SJB)	Forging a formal relationship with the Festival will “strengthen” ties.
Equalities (SJB)	No implications.
	Equality Assessment:-
	<input type="checkbox"/> Initial Screening <input type="checkbox"/> Full Assessment <input checked="" type="checkbox"/> Not Applicable

LEICESTER FESTIVAL OF MUSIC AND DRAMA

Founded Circa 1900

REGISTERED CHARITY NO. 10520098

PRESIDENT THE LORD MAYOR OF LEICESTER



Hon. Chairman

Brian Wilford

REDACTED

Hon. Secretary/Treasurer

Mrs Gwen Senescall

REDACTED

Mayors Secretary,
Oadby & Wigston Borough Council
Station Road.
Wigston.
Leicester

Dear Sir or Madam,

The Leicester Festival started circa early 20th century. We have documented proof that it was before 1912 and it is clear from the programme that this was not the first. The festival then was held at the Dover Street School in Leicester, long since gone.

The Festival's aim is to give amateurs of all ages a platform to perform to an audience and we hope that with the younger performers it might lead them on to a professional career the adjudicators are all Professionals and give good advice to the competitors.

We are currently without a Vice President and because of the interest shown by the current Mayor of Oadby and his predecessors in attending the Festival if the Mayors of Oadby would be willing to accept the position of (Vice President)

The position as Honorary President will not involve you undertaking any tasks in the organization, but when you do visit you may be asked to present the trophies to some of the class winners which has happened with previous Mayoral visits. The visit when he or she attend will be most welcome.

Last year Mr Eastern spoke of a young boy playing a special piece at his induction and told of his prowess for one so young. I was pleased when he attended the festival in the second week and performed, having travelled from Nottingham where the family now live.

Yours sincerely.

Brian Wilford. Chairman

Agenda Item 13



Council	Tuesday, 23 May 2017	Matter for Decision
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Title: **Common Seal of the Borough Council of Oadby and Wigston**

Author: **Anne Court (Director of Services / Monitoring Officer)**

1. Introduction

This report seeks the Members' approval for the affixing of the Common Seal of the Borough Council of Oadby and Wigston for the ensuing municipal year 2017/18.

2. Recommendations

That the Common Seal of the Borough Council of Oadby and Wigston be affixed to all Contracts, Deeds, Notices, Orders and any other legal instruments and documents arising out of the minutes and reports referred to in the foregoing items.

3. Information

The affixing of the Common Seal forms part of the Council's legal process(es) in amounting to a valid execution of a legal instrument.

Background Documents:-

None.

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Implications	
Financial (CR)	No implications.
Legal (AC)	The affixing of the Common Seal forms part of the Council's legal process(es) in amounting to a valid execution of a legal instrument.
Risk (SJB)	No implications.
Corporate Priorities (SJB)	Not applicable.
Vision and Values (SJB)	Not applicable.
Equalities (SJB)	No implications.
	Equality Assessment:- <input type="checkbox"/> Initial Screening <input type="checkbox"/> Full Assessment <input checked="" type="checkbox"/> Not Applicable