

**CABINET
18 JANUARY 2022**

**COUNCILLOR MARTIN TENNANT
MAJOR PROJECTS AND PROPERTY
PORTFOLIO HOLDER**

KEY DECISION: NO

REPORT NO. PETS2202

**APPOINTMENT OF DIRECTORS
FRIMLEY4 BUSINESS PARK, FRIMLEY GU16 7SG**

SUMMARY AND RECOMMENDATIONS:

The purpose of this report is to agree new Directors for the Frimley Business Park Management Ltd company.

Recommendations

That Cabinet agrees that:

- a) the Corporate Manager – Legal, and
- b) the Head of Service responsible for the Property and Estates Function

should be appointed as Directors of the FBP Management Limited company.

1. INTRODUCTION

- 1.1 The Council's Head of Property and Technical Services, Paul Brooks is currently a Director on the Frimley Business Park Management Ltd company but is leaving the employment of the Council next month. Therefore, a new director will need to be appointed.

2. BACKGROUND

- 2.1 The Council has owned part of Frimley4 Business Park since April 2019.
- 2.2 As part of the sale process, 50% of the company (FBP Management Ltd) was transferred to the Council for £44 (£1 per share). This Company manages the service charge for the whole park, including the site landscaping. It operates as a cost recovery company so that at the end of the year, costs match income. Currently, the Council appointed Directors are the Head of Property, Estates and Technical Services (Paul Brooks) and Service Manager – Property and Estates (Helen Bristow)
- 2.3 The other Director is appointed by XLB, a development company that purchased the front part of the site from Novartis in May 2021 with the intention to redevelop this for industrial and storage use.

- 2.4 The Company employs a facilities manager, currently Mobius, to manage the outdoor amenity areas and oversee works on the site as part of the service charge. The Company also employs Avison Young to pay tax and other costs, collect the service charges that pays the invoices from the company and for any other rechargeable items. Websters is appointed as the accountants for the Company

3. DETAILS OF THE PROPOSAL

General

- 3.1 The need to appoint a new Director following the resignation of Paul Brooks from the Council and the linked resignation as a Director. As Mr Brook's role is not being replaced immediately the Executive Leadership Team have considered how the Director roles for the company are best undertaken. The current Head Economy, Planning and Strategic Housing, Tim Mills, will be undertaking the Head of Service role for the Property and Estates Team on an interim basis from Mr Brook's departure and has the experience to fill this position.
- 3.2 The Service Manager – Property and Estates, is currently also a Director and could remain in the role but following governance discussions, it is now considered that this role would be better undertaken by someone separate from the management of the asset. The Council's Corporate Manager Legal, Catriona Herbert has the appropriate skills and experience and has agreed to be appointed as the second Director.

Alternative Options

- 3.3 There is not an alternative to appointing directors unless the Council disposes of the asset.
- 3.4 Councillors could be appointed as per other outside bodies. This would require the overseeing of advisors and other duties of a director according to the company's articles of association and these responsibilities are more usually undertaken by senior officers of the Council.

Consultation

- 3.5 Consultation has taken place with members of the Corporate Governance Group and the Portfolio Holder for Property & Major Projects.

4. IMPLICATIONS

Risks

- 4.1 If replacement directors are not made the company cannot function as it should.

Legal Implications

- 4.2 Non appointment could be decided upon, in theory under the articles of the company, but would mean the Council would not have the majority influence over the Company.

Financial and Resource Implications

- 4.3 Potential penalties from Companies House and a backlog of recovery of service charges without a functioning management company.

Equalities Impact Implications

- 4.4 There are no equalities impact implications

Other

- 4.5 Poor management would impact upon the asset value of the property and the Council's reputation as a landlord.

5. Conclusions and Recommendation.

- 5.1 Following a review of the governance arrangements and director responsibilities, it is proposed that in future the postholders in the roles of

- a) Corporate Manager – Legal, and
- b) the Head of Service for the Council's Property and Estates functions

be appointed as Directors of the FBP Management Ltd company.

CONTACT DETAILS:

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BACKGROUND INFORMATION:

Cabinet Report 2nd April 2019 – Report RP 1908