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COMMERCIAL BOARD

Minutes of a Meeting held on Wednesday 12 December 2018 in the Council Chamber, Town Hall, Matlock at 6.00 pm.

PRESENT Councillor Albert Catt - In the Chair

Councillors Steve Flitter, Lewis Rose OBE and Andrew Shirley.

Paul Wilson (Chief Executive), Sandra Lamb (Head of Corporate Services), Tim Braund (Head of Regulatory Services), Mike Galsworthy (Estates & Facilities Manager) and Jackie Cullen (Committee Assistant).

APOLOGIES

Apologies for absence were received from Councillors Richard FitzHerbert and Mike Ratcliffe.

279/18 – MINUTES

It was moved by Councillor Albert Catt, seconded by Councillor Andrew Shirley and

RESOLVED That the minutes of the Commercial Board meeting held on 25 October
(unanimously) 2018 be approved as a correct record.

The Minutes were signed by the Chairman.

280/18 – ASSET MANAGEMENT PLAN 2019-2023

The Board considered a report that introduced a new Asset Management Plan (AMP) to be recommended for adoption at Full Council in January 2019. The AMP was attached at Appendix 1 to the report in draft form to allow any comments or amendments to be incorporated into the final document.

The last published AMP covered the period 2009-2012; its aims and the initiatives that had arisen from the AMP were set out in the report. No formal AMP had been in place over the period 2012-2018, and an updated AMP had now been produced covering the period 2019-2023 covering the main areas as listed in paragraph 2.3 of the report. It was intended to have a life of 5 years and would be reviewed annually to ensure any major changes were reflected.

It was reported that the Commercial Investment Strategy, referred to out in Appendix 1 to the report, had not yet been adopted but would be presented to full Council in the near future. It was also reported that the draft AMP had been presented to the Corporate Leadership Team the previous day, resulting in a few additions to be incorporated in the final version. Comments and suggestions from Members of the Board were acknowledged and would be considered for the final version.

It was moved by Councillor Steve Flitter, seconded by Councillor Andrew Shirley and

RESOLVED
(unanimously)

1. That the draft Asset Management Plan included at Appendix 1 of the report is noted.
2. That a further report is presented to Full Council in January 2019 recommending adoption of the AMP 2019-2023.

281/18 – CREATION OF LIMITED LIABILITY PARTNERSHIP

Further to specific legal advice presented at its last meeting, the Board now considered a report recommending that the Council enter into a statutory limited liability partnership in order to provide it with an option, over and above those currently available to it, to better manage its property portfolio through a model called “Relational Partnering”. Any such LLP would need to demonstrate that it was acting in a ‘commercial manner’ as opposed to a ‘commercial purpose’, as outlined in the report. It was emphasised that the creation of an LLP was only one of a number of options currently available to the Council and each was not mutually exclusive. As such, the Board agreed that all potential projects would be critically assessed as part of a pre-application business case to be authorised by the Chief Executive, prior to consideration by the Board.

Following a period of due diligence, an invitation had been received by PSP to join with it in a Limited Liability Partnership, referred to provisionally as “PSP Derbyshire Dales LLP”. The terms of governance and due diligence process relating to a Limited Liability Partnership incorporated under the provisions of the 2000 Act were set out in the report, including those specifically relating to the PSP Derbyshire Dales LLP’s two Partners - the Council and PSP Facilitating Ltd (PSPF).

To enter into the proposed PSP Derbyshire Dales LLP it would be necessary to enter into legally binding agreements with PSPF: The Members’ Agreement and The Procedure Agreement, as set out in the report. It was recommended that approval to these two legal Agreements be delegated to the Head of Corporate Services in consultation with the Chief Executive, the Chairman and Vice-Chairman of the Commercial Board, following a satisfactory due diligence process.

The Draft Heads of Terms were set out in paragraphs 3.9 to 3.13 of the report, with matters relating to infrastructure of the Relational Partnering Model set out in Section 4 of the report. The composition of the three tiers – Partnership Board, Operational Board and Project Team – was outlined, for which nominations would be determined by Council at its Annual Meeting in 2019.

It was reiterated that the proposed PSP Derbyshire Dales LLP was an additional option for maximising the value from property assets and the existence of the LLP did not remove the Council’s ability to consider alternative approaches and partnerships.

An amendment to Recommendation 1 in the report was proposed, as set out below.

It was moved by Councillor Lewis Rose OBE, seconded by Councillor Andrew Shirley and

RESOLVED
(unanimously)

1. That subject to satisfactory credit and reference checks, Council is recommend to approve, under the provisions of the Limited Liability Partnership Act 2000, the creation of a limited liability partnership (LLP) between the Council and PSP Facilitating Ltd (PSPF) and to be called PSP Derbyshire Dales LLP.
2. That it be noted that the purpose of the LLP is to assist the Council to better manage its property portfolio and that any return on investment and use of the Council's assets would be ancillary to delivery of its objectives
3. That the Head of Corporate Services be delegated authority to agree two Partnership legal documents - a Members' and a Procedure Agreement - in consultation with the Chief Executive, the Chairman and Vice-Chairman of the Commercial Board, following a satisfactory due diligence process.
4. That each project, considered for progress through the LLP, is critically assessed as part of a pre-application business case to be authorised by the Chief Executive, prior to consideration by the Board
5. That nominations to sit on the Partnership Board are determined by Council at its Annual Meeting in 2019.
6. That the LLP provides indemnity insurance to Member and Officer representatives of PSP Derbyshire Dales.

MEETING CLOSED 6.53PM

CHAIRMAN