

Report to: Cabinet



Date of Meeting 28 October 2020

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Sideshore, Exmouth – Community Interest Company

Report summary:

The purpose of this report is to secure approval for signing legal and financial documents in our capacity as a Member (shareholder) of the Community Interest Company (CIC).

Sideshore is the new Watersports centre in Exmouth that is being developed by Grenadier Estates who lease the site from the council. Once the new building is complete, the lease between the council and Grenadier Estates will fall away and the CIC will become the direct tenant of the council. The CIC will run the centre and will have sub leases with the individual operating businesses within the development.

The council is a member (shareholder) of the CIC and has appointed 2 Directors to the CIC Board. The other 3 Directors of the CIC are Board members of Grenadier Estates.

The council has been contacted by one of the Grenadier CIC Directors and asked to sign the attached Members' Agreement to allow the CIC to adopt the Companies Act audit exemption based on a parent company guarantee from Oxygen House Group Limited (the CIC's ultimate parent company).

In discussion with the Grenadier Directors of the CIC, the council is aware that there may be other documents that the council is required to sign in future (for example, if the Articles need to be changed for the good management of the CIC).

The council is therefore seeking approval for authority to sign this particular Members Agreement referred to above, but also for authority to enter into any other documentation and take any actions requiring the authority of the Members (shareholders) of the CIC". A copy of the Members Agreement is attached at Appendix 1.

Recommendation:

That Cabinet:

1. Authorises the signing of Members Agreement on behalf of the Council as shareholder of the Community Interest Company (CIC), and
2. Grants delegated authority to the Portfolio Holder for Economy and Assets to authorise entering into legal, finance or any other documentation on behalf of the Council as shareholder of the CIC.

Reason for recommendation:

This will enable the Sideshore CIC to adopt the Companies Act audit exemption based on a parent company guarantee from Oxygen House Group Limited (the CIC's ultimate parent company). It will also allow the council to enter into other documentation and take other actions that require the authority of the Members (shareholders) of the CIC.

Officer: Alison Hayward, Place, Assets & Commercialisation. ahayward@eastdevon.gov.uk;
01395 571738

Portfolio(s) (check which apply):

- Climate Action
- Corporate Services and COVID-19 Response and Recovery
- Democracy and Transparency
- Economy and Assets
- Coast, Country and Environment
- Finance
- Strategic Planning
- Sustainable Homes and Communities

Financial implications:

There are no direct financial implications from the recommendations of the report.

Legal implications:

It is considered acceptable for the Council, as Shareholder, to agree to the signing of the Members Agreement. In respect of any future decisions, it is permissible for such decisions to be delegated to a portfolio holder by Cabinet provided any decision is not a 'key decision'. This will need to be assessed on a case by case basis. There will need to be a record of each decision taken by way of portfolio holder report in compliance with constitutional requirements.

Equalities impact Low Impact

Climate change Low Impact

Risk: Low Risk;

Links to background information

Link to [Council Plan](#):

Priorities (check which apply)

- Outstanding Place and Environment
- Outstanding Homes and Communities
- Outstanding Economic Growth, Productivity, and Prosperity
- Outstanding Council and Council Services

Appendices:

Appendix 1: Member's Agreement.