

ANNUAL REPORT

Head of Service:	Jackie King, Director of Corporate Services
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Appendices (attached):	<div><div>1:</div><div>Report to Shareholder Sub Committee</div></div> <div><div>2:</div><div>EEPIC Shareholder Annual Review 1 April 2020 - 31 March 2021</div></div> <div><div>3:</div><div>EEPIC Report of the Directors & Financial Statements for the year ended 31 March 2021</div></div> <div><div>4:</div><div>Confidential: Annual Business Plan 2022-23</div></div>

Summary

Annual reporting on Epsom & Ewell Property Investment Company Ltd.

Recommendation (s)

The Sub Committee is asked to:

- (1) note Epsom & Ewell Property Investment Company Ltd Report to Shareholder (Appendix 1);**
- (2) note Epsom & Ewell Property Investment Company Ltd Shareholder Annual Review (Appendix 2 and 3);**
- (3) approve the appointment of the Senior Accountant, Richard Appiah-Ampofo as the Company Secretary for Epsom & Ewell Property Investment Company Ltd;**
- (4) approve the Annual Business Plan 2022-2023 (Appendix 4).**
- (5) Approve the replacement of the Chief Legal Officer with the Director of Corporate Services as the correct individual for Shareholder related communication (Paragraph 15: Communications).**

Shareholder Sub Committee

23 November 2021

1 Reason for Recommendation

- 1.1 To meet the requirements of the Shareholder's Agreement dated 28 December 2018.

2 Background

- 2.1 The Shareholder's Agreement between the Council and Epsom & Ewell Property Investment Company Limited ('the Company') provides for a series of requirements where the Company must seek the Council's consent.
- 2.2 The Company has produced an Annual Report and Review for the Shareholder Sub Committee and these are attached at Appendices 1 and 2.
- 2.3 The Shareholder's Agreement requires Shareholder Consent for the appointment of a Company Secretary. Even though a Company Secretary is not required for the Company, the Company has sought permission to make an appointment from one of the Council's Finance Officers (Paragraph 24 of Schedule 1 of the Shareholder Agreement).
- 2.4 Permission is sought to appoint one of the Council's Senior Accountant's, Richard Appiah-Ampofo.
- 2.5 The Shareholder's Agreement requires the Company to circulate its revised Business Plan to the Shareholder by the end of November of each year. The Sub Committee is invited to comment or provide Shareholder Consent for the proposed Business Plan (Clause 2.3, 2.4, 2.5, Paragraph 16 of Schedule 1 of the Shareholder's Agreement).
- 2.6 The Business Plan is attached at Appendix 4.
- 2.7 The Shareholder's Agreement (Paragraph 15: Communications) defines the Council's Chief Legal Officer as the correct recipient for;

"Any notice or other communication under or in connection with this Agreement shall be in writing and shall be delivered personally or sent by first-class post or by email as follows: ..." (Paragraph 15.1).
- 2.8 The Council no longer employs a Chief Legal Officer and it is proposed that Jackie King, the Council's Director of Corporate Services, be substituted in the place of the Chief Legal Officer as the correct recipient for any matters relating to Paragraph 15: Communications of the Shareholder Agreement.

3 Risk Assessment

Legal or other duties

- 3.1 Impact Assessment

Shareholder Sub Committee

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3.1.1 Not applicable.

3.2 Crime & Disorder

3.2.1 Not applicable.

3.3 Safeguarding

3.3.1 Not applicable.

3.4 Dependencies

3.4.1 None.

3.5 Other

3.5.1 None.

4 Financial Implications

4.1 The proposed budget is included at section 5 of the Business Plan.

4.2 **Section 151 Officer's comments:** EEPIC's business plan and proposed budget would enable it to meet the Council's budgeted expectations.

5 Legal Implications

5.1 The Committee is asked to agree a change of Company Secretary and make a change to the Council's point of contact under the Shareholder's Agreement. Clearly, these can be approved by the Sub-Committee under its Terms of Reference (a) - change of Company Secretary and (f) - change to Shareholder Agreement.

5.2 **Legal Officer's comments:** Contained in the body of this report. The comments are not intended as, and should not be treated as, legal advice to the Committee on company law matters. Nor is this officer advising whether the Council should first obtain company law advice.

6 Policies, Plans & Partnerships

6.1 **Council's Key Priorities:** The following Key Priorities are engaged: Opportunity & Prosperity, Effective Council.

6.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

6.3 **Climate & Environmental Impact of recommendations:** Not applicable.

6.4 **Sustainability Policy & Community Safety Implications:** Not applicable.

6.5 **Partnerships:** None.

Shareholder Sub Committee

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7 Background papers

7.1 The documents referred to in compiling this report are as follows:

Previous reports:

- EEPIC Shareholder Agreement, Shareholder Sub Committee, 27 November 2018

Other papers:

- Establishment of a Local Authority Property Investment Trading Company, Strategy & Resources Committee, 19 September 2017
- Establishment of a Local Authority Property Investment Trading Company, Council, 19 September 2017