

## Minutes of the Meeting of the SHAREHOLDER SUB-COMMITTEE held at the Council Chamber, Epsom Town Hall on 22 November 2022

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### PRESENT -

Councillor Neil Dallen (Chair); Councillors Kate Chinn, Graham Jones and Colin Keane

Absent: Councillor Hannah Dalton

Officers present: Jackie King (Interim Chief Executive), Mark Shephard (Head of Property and Regeneration) and Tim Richardson (Democratic Services Manager)

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#### 1 DECLARATIONS OF INTEREST

No declarations of interest were made by Councillors in items on this agenda.

#### 2 MINUTES OF THE PREVIOUS MEETING

The Minutes of the previous meeting of the Shareholder Sub Committee held on 23 November 2021 were agreed as a true record and signed by the Chair.

#### 3 ANNUAL REPORT

The Sub-Committee receive the Annual report on Epsom & Ewell Property Investment Company Ltd (EEPIC).

The following matters were considered:

- a) **Withdrawal of recommendation 3 of the report.** The Head of Property and Regeneration recommended to the Sub-Committee that recommendation 3 of the report should be withdrawn as the Director of Environment, Housing and Regeneration had resigned from the Council.

**Following consideration the Sub-Committee unanimously resolved to withdraw recommendation 3 of the report.**

- b) **Financial performance.** The Sub-Committee noted that EEPIC had reported a full-year profit before tax of £1.4m, with a dividend of £600,000 paid to the shareholder and retained earnings of £900,000. Property valuations had increased by £900,000 over the past year, and the company's cash balance as at 31 March 2022 was £1.25m.
- c) **Dividend to shareholder.** The Sub-Committee noted that the dividend paid to the shareholder had decreased from £870,000 in 2021 to £600,000 in 2022. The Head of Property and Regeneration informed the

Sub-Committee that this reduction had occurred following the agreement of a Deed of Variation for the property at Bracknall. The Deed had provided the tenant with a period of rent free support during the Covid-19 pandemic in exchange for a 5 year lease extension. The net benefit to EEPIC of this agreement was a £6,638,625 income stream at the end of the previous lease term.

- d) **Capital gain of properties.** The Sub-Committee noted that the two properties had achieved different rates of capital gain within the year. The Head of Property and Regeneration informed the Sub-Committee that this was due to the difference in nature of the properties.

Following consideration, the Sub-Committee unanimously resolved to:

- (1) **note Epsom & Ewell Property Investment Company Ltd Report to Shareholder (Appendix 1 to the report);**
- (2) **note Epsom & Ewell Property Investment Company Ltd Shareholder Annual Review (Appendix 2 and 3 to the report);**
- (3) **approve the confidential Annual Business Plan 2023-2024 (Appendix 4 to the report);**
- (4) **approve the confidential Report to Shareholder (Appendix 5 to the report).**

*The meeting began at 6.30 pm and ended at 6.52 pm*

COUNCILLOR NEIL DALLEN (CHAIR)