



Agenda

- Meeting:** Shareholder Committee
- To:** Councillors Carl Les (Chairman), Gareth Dadd and Mark Crane.
- Date:** Tuesday, 14th February 2023
- Time:** 1.00 pm
- Venue:** Room 3, County Hall, Northallerton

This meeting is being held as an in-person meeting and in public. The government position is that of learning to live with COVID-19, removing domestic restrictions while encouraging safer behaviours through public health advice. In view of this, hand cleanser and masks will be available for attendees upon request. The committee room will be well ventilated, and attendees encouraged to avoid bottlenecks and maintain an element of social distancing. Please contact the named supporting officer for the committee, if you have any queries or concerns about the management of the meeting and the approach to COVID-19 safety.

Please do not attend if on the day you have COVID-19 symptoms or have had a recent positive Lateral Flow Test.

Further details of the government strategy (Living with COVID-19 Plan) is available here – <https://www.gov.uk/government/news/new-guidance-sets-out-how-to-live-safely-with-covid-19>

Business

1. **Minutes of the meeting held on 18 October 2022** (Pages 3 - 4)

2. **Declarations of interest**

3. **Public Questions & Statements**

Members of the public may ask questions or make statements at this meeting if they have given notice to Melanie Carr of Democratic and Scrutiny Services and supplied the text (*contact details below*) by midday on Thursday 9 February 2023, three working days before the day of the meeting. Each speaker should limit themselves to 3 minutes on any item. Members of the public who have given notice will be invited to speak:

- at this point in the meeting if their questions/statements relate to matters which are not otherwise on the Agenda (subject to an overall time limit of 30 minutes).
- when the relevant Agenda item is being considered if they wish to speak on a matter which is on the Agenda for this meeting.

If you are exercising your right to speak at this meeting, but do not wish to be recorded, please inform the Chairman who will instruct anyone who may be taking a recording to cease while you speak.

4. Transferral of shares in District and Borough Companies to North Yorkshire Council Recommendations (Pages 5 - 8)

The Shareholder Committee is requested to:

- i. Approve the acquisition of shares and/or interests in the Companies as set out in Appendix 1
- ii. Delegate the approval of the Council entering into the documents required to transfer the Companies to the new authority to the Assistant Chief Executive (Legal & Democratic Services)
- iii. Delegate any decisions relating to the financial implications of acquiring the shares and/or membership of the Companies to the Corporate Director (Strategic Resources) and
- iv. Authorise the Assistant Chief Executive (Legal & Democratic Services) to take all other necessary steps to facilitate the transfer of the companies or to take any other appropriate action to ensure the smooth transition to North Yorkshire Council.

5. Work Programme (Pages 9 - 10)

Purpose of the Report: To consider and develop the Work Programme for the Shareholder Committee

6. Other business which the Chair agrees should be considered as a because of special circumstances

Contact Details

Enquiries relating to this agenda please contact Melanie Carr Tel: 01609 533849 or e-mail:

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Barry Khan
Assistant Chief Executive
(Legal and Democratic Services)

County Hall
Northallerton

6 February 2023

North Yorkshire County Council

Shareholder Committee

Minutes of the meeting held on Tuesday, 18th October 2022 commencing at 12.30 pm.

County Councillor Carl Les in the Chair. Plus County Councillors Gareth Dadd and Derek Bastiman.

Officers present: Gary Fielding, Barry Khan, Vicki Dixon and Melanie Carr.

Apologies: Richard Flinton.

Copies of all documents considered are in the Minute Book

7 Minutes of the meeting held on 21 June 2022

Resolved –

That the Minutes of the meeting held on 21 June 2022, having been printed and circulated, be confirmed as read and signed by the Chairman as a correct record.

8 Declarations of interest

There were no declarations of interest.

9 Public Questions & Statements

There were no questions or statements from the public.

10 Brierley Group Quarter 1 2022/23 Report

The report of the Assistant Director for Strategic Resources, providing a Quarter 1 financial and performance update for 2020/21 for the companies that make up the Brierley Group.

Vicki Dixon, Assistant Director for Strategic Resources introduced the report, highlighting the key achievements and challenges for the individual companies within the Brierley Group. In particular, she drew members' attention to:

- The significant cost pressures due to the rise in inflation and challenges in the labour market;
- The projected shareholder value for 2022-23 of £9,396;
- Those companies tracking ahead of budget e.g. NYNet and Yorwaste;
- The sales completions by Brierley Homes and revenue projections ahead of the business case targets;
- The labour challenges for NYES in catering and cleaning, and the ongoing work to push the uptake of school meals;
- The issues around equipment delays for NYNet;
- The ongoing review of Veritau's pay and rewards offer, to assist in reducing staff losses;

- The ongoing work to improve the operational and finance systems for North Yorkshire Highways

Members thanked officers for the update and it was

Resolved – That the Brierley Group Quarter 1 financial and performance update for 2020/21 be noted.

11 Work Programme

Vicki Dixon, Assistant Director Strategic Resources confirmed the next meeting would be on 23 March 2023 and not in January as shown on the work programme document. At the March meeting she confirmed the Committee would receive the Brierley Group Q3 2022/23 Performance Report, together with a summary of the Brierley Group Business Plans, and asked that the work programme be updated to reflect that.

Resolved: That the work programme for the remainder of 2022/23 be endorsed subject to the change identified above.

The meeting concluded at 1.06 pm.

North Yorkshire County Council

Shareholder Committee

14 February 2023

Transfer of District and Borough owned Companies to North Yorkshire Council

Report of the Assistant Chief Executive (Legal & Democratic Services)

1.0 Purpose of Report

- 1.1 To provide Members with an update as to the transfer of NYCC owned companies to the new authority.
- 1.2 To seek approval of the acquisition of shares and/or interest in District and Borough owned companies.
- 1.3 To delegate to the Assistant Chief Executive (Legal & Democratic Services) to take the necessary steps required to transfer the companies.

2.0 Background

- 2.1. There are a number of companies owned by the District and Borough Councils. As part of Local Government Reorganisation (LGR) the District and Borough Councils will automatically transfer to the new authority, North Yorkshire Council. However, the ownership of the companies (including ownership of shares and membership rights) requires steps to be taken to transfer to the new authority. Shares and members interests will need to be transferred in accordance with company law procedure to ensure they can continue to operate. A list of the companies to be transferred is included at Appendix 1 (the "**Companies**").
- 2.2. The acquisition of shares in a company is a Shareholder Committee decision in accordance with the Shareholder Committee terms of reference.
- 2.3. Shares and/or interests in companies owned by North Yorkshire County Council will automatically transfer to the new authority.

3.0 Issues

- 3.1. Action is required by the District and Borough Councils to execute necessary documents to transfer the companies prior to 1 April 2023. As North Yorkshire Council will not exist until 1 April 2023, it will be necessary for North Yorkshire County Council to enter into certain agreements relating to the transfers. These documents will transfer the rights in the companies on 1 April 2023 to North Yorkshire Council.
- 3.2. There are a number of companies to be transferred. These include companies limited by shares (**CLS**) which requires the transfer of shares, a company limited by guarantee (**CLG**) which requires the transfer of membership interest and a Limited Liability Partnership (**LLP**). Therefore, the process may take some time to ensure all companies are dealt with appropriately.

4.0 Financial Implications

- 4.1. The Council will be acquiring the interest and shares in the Companies and will therefore become shareholder (or joint-shareholder) of each company as set out in Appendix 1. This may result in dividends or other payments to the Council.
- 4.2. Due diligence is currently being undertaken into each Company to identify any financial implications, such as loan agreements, guarantees and any other agreements between the shareholder and the Companies.

5.0 Legal Implications

- 5.1. As NYCC is the “Continuing Authority”, the legal entity for ownership of NYCC shares or CLG membership interest remains the same. Therefore, the shares in these companies will automatically transfer to the new authority. The company registers shall be updated and any required confirmation statements will be filed at Companies House.
- 5.2. All property, rights and liabilities of the seven District and Borough Councils shall on the 1 April 2023 vest in and transfer to the new authority in accordance with Regulation 7 of The Local Government (Structural Changes) (Transfer of Functions, Property, Rights and Liabilities) Regulations 2008 (2008 Regulations). Whilst the 2008 Regulations transfer the rights and obligations to the new Authority, this does not negate the need to comply with the Companies Act 2006 in transferring the shares and membership interest from the District and Borough Councils to the new authority.
- 5.3. Therefore, it is necessary for North Yorkshire County Council to approve the acquisition of the shares and/or interests prior to the new authority coming into existence. This will include all necessary agreements to facilitate the transfers, such as transfer agreements and Deeds of Adherence.

6.0 Recommendations

- 6.1 The Shareholder Committee is requested to:
 - i. Approve the acquisition of shares and/or interests in the Companies as set out in Appendix 1
 - ii. Delegate the approval of the Council entering into the documents required to transfer the Companies to the new authority to the Assistant Chief Executive (Legal & Democratic Services)
 - iii. Delegate any decisions relating to the financial implications of acquiring the shares and/or membership of the Companies to the Corporate Director (Strategic Resources) and
 - iv. Authorise the Assistant Chief Executive (Legal & Democratic Services) to take all other necessary steps to facilitate the transfer of the companies or to take any other appropriate action to ensure the smooth transition to North Yorkshire Council.

Barry Khan
Assistant Chief Executive (Legal & Democratic Services)
County Hall
Northallerton
2 February 2023

Report Author – Bethany Bilby, Commercial Contracts and Procurement Solicitor

Background Documents: None

Appendix 1 – List of Companies to be transferred

District and Borough Council Owned Companies to be transferred

Company name and number	Council / owner	Type of company	Transfer of Shares / Membership
THE MERCURY HOUSING CO LTD, Company No. 9382244	Richmondshire	Company Limited by Shares	1 ordinary share of £1 each
82 CASTLEGATE MALTON, Company No. 7055788	Ryedale & Andrew McGlen	Company Limited by Shares	<p>Ryedale - 3 ordinary shares of £1 each</p> <p>Andrew McClen – 1 ordinary share of £1 each</p> <p>Each share has a called up share capital of £1 each. Total share capital of £4.</p> <p>Share capital to be transferred to NYC of £3.</p> <p>A proposal to strike off this company is active. The company will automatically close on 7 April 2023. However it will still need to be transferred to NYC prior to its closure.</p>
Bracewell Homes Limited, Company No. 11884226	Harrogate	Company Limited by Shares	1 ordinary share of £1 each (deed of adherence required)
Brimhams Active Limited, Company No. 12979708	Harrogate	Company Limited by Guarantee	Transfer of membership interest
Leeds City Region Revolving Investment Fund	Harrogate	Limited Partnership	Transfer any interest
Central Northallerton Development Company Limited, Company No. 9730539	Hambleton and Wykeland Properties Limited	Company Limited by Shares	<p>Hambleton – 2 Ordinary A Shares of £1 each</p> <p>Wykeland – 2 Ordinary A Shares of £1 each</p> <p>Each share has a called up share capital of £1 each. Total share capital of £4.</p> <p>Share capital to be transferred to NYC of £2.</p>
Hambleton District Holdings Limited, Company No. 12292196	Hambleton	Company Limited by Shares	1 ordinary share of £1 each

Hambleton Property Limited, Company No. 12292471	Hambleton	Company Limited by Shares	1 ordinary share of £1 each
MAPLE PARK (HAMBLETON) LLP, Company No. OC439867	Hambleton	Limited Liability Partnership	Transfer of membership (deed of adherence and transfer documents required)
VERITAU NORTH YORKSHIRE, Company No. 7931990	Veritau Ltd, Richmondshire, Selby, Scarborough, Ryedale, Hambleton	Company Limited by Shares	<p>Veritau Ltd – 5 shares</p> <p>Richmondshire – 1 share Selby – 1 share Harrogate – 1 share Scarborough – 1 share Ryedale – 1 share Hambleton – 1 share</p> <p>Each share has a called up share capital of £1 each. Total share capital of £10.</p> <p>The share capital transfer is currently being considered for this company and may be the subject of a future report.</p>

Shareholder Committee Work Programme

Meeting Date	Items of Business
25 May 2021	<ol style="list-style-type: none"> 1. Brierley Group Annual Report 2020/21 & Brierley Group Business Plans 2. Align Property Partners – Articles of Association 3. NYnet Ltd – Articles of Association 4. Work Programme 2021/22
14 September 2021	<ol style="list-style-type: none"> 1. Brierley Group Q1 2021/22 Performance Report 2. Work Programme 2021/22
18 January 2022	<ol style="list-style-type: none"> 1. Brierley Group Q2 2021/22 Performance Report 2. Work Programme 2021/22
21 June 2022 @ 12:30pm	<ol style="list-style-type: none"> 1. Brierley Group Q3 2021/22 Performance Report 2. Work Programme 2021/22
18 October 2022 @ 12:30pm	<ol style="list-style-type: none"> 1. Brierley Group Q4 2021/22 Report & Summary of Brierley Group Business Plans 2. Work Programme 2022/23
14 February 2023 @ 1pm	<ol style="list-style-type: none"> 1. Transferal of Shares in District and Borough Companies to NYCC 2. Work Programme 2022/23
21 March 2023 @ 12:30pm	<ol style="list-style-type: none"> 1. Brierley Group Q2 2022/23 Performance Report 2. Border to Coast Governance Arrangements 3. Work Programme 2022/23
20 June 2023 @ 12:30pm	<ol style="list-style-type: none"> 1. Brierley Group Q3 2022/23 Performance Report 2. Work Programme 2023/24
17 October 2023 @ 12:30pm	<ol style="list-style-type: none"> 1. Brierley Group Q1 2023/24 Report & Summary of Brierley Group Business Plans 2. Work Programme 2023/24
20 March 2024 @ 12:30pm	<ol style="list-style-type: none"> 1. Brierley Group Q2 2023/24 Performance Report 2. Work Programme 2023/24

