

OVERALL PURPOSE OF RBWM PROPCO 2021

Vision

To develop and regenerate the Council's assets to create a Borough of Opportunity and Innovation by:

Delivering additional homes, both directly and indirectly.

Ensuring greater access to quality affordable housing for those in housing need.

Supporting the regeneration of town centres, and 'Place Making' across the Borough whilst working alongside Council colleagues at the early stages of development.

Maximise the 'commercial' return on the Council's property estate

To providing savings, a dividend and/or other value towards the cost-of-service provision within the Council and grow the company as an asset of value.

Objectives

Deliver and operate additional homes on Council owned or other sites

Be financially viable and ensure that rental and other income covers the long-term cost of the company.

Develop **XX*** additional homes by the end of 2027.

Enable the delivery of **XX*** homes on Council Joint Venture sites

Have under management by 2027 **XX*** affordable and other homes.

Purchase or develop rental housing of all tenure (including conversion or new build)

Work with partners to deliver (or facilitate) any requirement for housing or facilities for vulnerable adults and children

Be the principal advisor for the Council in matters of property and regeneration (property consultancy)

Deliver the Council's Asset Management and Property Service function creating, delivering, and maintaining an Asset Management Strategy that

- Ensures compliance with all Regulatory, Environment Performance and Health and Safety requirements of Company or Council Assets and sites.
- Manage the Council portfolio of property
- Lead capital projects.

Work in partnership with the Council, recognising the separate legal structure and nature of the company whilst responding to specific needs or requirements of the Borough.

* To be set following new Business Plan

RBWM - PROPCO GOVERNANCE ACTION PLAN

Recommendation	Response	Owner	When
1. Review, agree and approve a revised statement of the purpose of the PropCo (vision/mission) and incorporate changes into the Articles of Association or Shareholder Protocol as appropriate.	Agreed – proposed new Statement of Purpose attached.	Cabinet (delegated)	Nov 21
	Agreed - All changes will be incorporated into a revised Shareholder Protocol	Head of Legal	Jan 22
2. Review the structure of the PropCo to ensure it remains the optimal method of delivering the objectives.	Agreed. A new MD has been appointed who will be tasked to review the Company against the new Business Plan and Statement of Purpose.	PropCo MD (Client Officer)	Dec 21
3. Set SMART objectives for the PropCo on an annual basis reflection the interests of the Council	Agreed in part. As part of setting and agreeing a Business Plan. Objectives and key performance indicators will be set. These will not be expected to change annually – though will be reviewed – as property pipelines need to cover years ahead so regular changes to objectives (or KPIs) would stymy progress.	Client Officer / PropCo Chair	Proposal Dec 21
4. Consider the use of Value for Money savings in the performance measures or objectives	Agreed. Will be incorporated into no.3	As no. 3	As no. 3
5. Reviews and agrees a new Shareholder Protocol, particularly focussing on the following areas:			
a. Identify where the Shareholder function is performed (e.g., subset of Cabinet, individual 'client' member or other mechanism)	Agreed. In the future the shareholder function will be undertaken by Cabinet as part of their formal public meeting process. Consequent amendments will be made to Terms of Reference and the Shareholder Protocol.	Head of Legal	Done
b. Ensure there is no cross over of membership between the PropCo Board and the Shareholder	Agreed. Since the resignation of the previous Chair of the Board there has been no crossover and will not be going forward. It has been	Executive Director, Place (PropCo Chair)	Done

function (though invited attendance of officers at PropCo Board meetings would be beneficial)	agreed with the Board that the Executive Director of Place will be invited to Board meetings as an observer to ensure better tactical and operational coordination between the Council and the PropCo.		
c. Clarify where key decisions should be made	Agreed. A revised scheme of powers/delegation will be prepared in line with existing officer delegation. This will clarify what decisions are reserved to Cabinet as the Shareholder, to the Client Officer and to the Board (who may further delegate to the Managing Director). Certain delegations to the Client Officer (ex officio) will be added to the Scheme of Delegation. This new scheme of delegation will also include delegations regarding the management of the Councils properties and related budgets (see I below).	Client Officer / Monitoring Officer	Nov 21
d. Clarify Member and officer roles with respect to the PropCo i.e., Members setting strategic direction/objectives and monitoring the performance against these; officers as their advisers	Agreed. The new Shareholder Protocol will clarify this in full, in line with the suggestions in the 31ten report.	Client Officer / Monitoring Officer	As per 1
e. Establish an officer 'client-side' function with a clear remit to advise the Shareholder and Council on PropCo activities.	Agreed. The Chief Executive will ensure a Client Officer function is built into the Council structure. The Executive Director of Resources will undertake this key role.	Chief Executive	Done
f. Task and direct the PropCo on an annual cycle through the Business Plan. Any changes should come through the Cabinet as	Agreed. The authority to operate the Company will be vested through the approved Business Plan to the Board and any general delegations in the Shareholder Protocol.	Client Officer	N/A

agreed in the decision-making framework	Minor changes will be agreed by the Client Officer with any significant changes being taken back to Cabinet.		
g. Use the annual Business Plan cycle to approve all scheme development and funding requirements within year only for changes or additional schemes seeking approval in year	Agreed. The Business Plan will contain all planned significant schemes (such schemes where appropriate to have already been considered through the Capital Review Group). In year amendment will be taken to Cabinet after consideration by the Capital Review Group.	Client Officer	N/A
h. Allow sufficient time for scrutiny at full Council of all PropCo activities including the development of the annual objectives and the approval of the Business Plan. This may require separate approval points for example agree annual objectives and then separately agree how they will be achieved (Business Plan)	Agreed in part. Property is an executive function of the Council so is not within Full Council's purview for decision making. Therefore, objectives must be agreed by the Cabinet. However, PropCo will be asked to produce an annual report of its activities and performance which will be taken to Scrutiny to ensure transparency of the operation.	Client Officer / PropCo Chair	N/A
i. Review the relationship of the PropCo with Property Services to ensure that the arrangement allows for a proper arms-length relationship between the Council and the PropCo whilst providing for the optimal tax position.	Agreed. There are several options to achieve this alignment and staff are being consulted about preferences in August. Whatever arrangement is decided it will be necessary to ensure suitable delegation to PropCo/Property Services to enable operational delivery. The current arrangement is not tax efficient but resolving the position of the Property Service function will resolve this issue.	Chief Executive / Monitoring Officer / Head of Human Resources,	Dec 21
6. Run training for Members on role of the shareholder function and any new governance arrangements going forward.	Agreed. This will be incorporated into the Member Training Programme.	Monitoring Officer	Mar 22

<p>7. Review and specify the reporting frequency and requirements of PropCo activities within the Council to ensure that the Shareholder function can be effectively performed and that sufficient milestones exist to hold the PropCo Board to account for delivery.</p>	<p>Agreed. This will be determined as per previous entries.</p> <p>A new suite of milestones and key performance indicator will be developed for agreement and used to hold the PropCo to account for delivery.</p>	<p>Client Officer</p> <p>Head of Strategy / Client Officer / Managing Director</p>	<p>As per 3</p>
<p>8. Review the risks to the Council of the PropCo on a quarterly basis as a key part of the Shareholder function, and this should be reflected in the Shareholder Protocol</p>	<p>Agreed in part. There is merit in the Council regularly reviewing the risks of the PropCo however to do so on a quarterly basis would make this the most regular item on Cabinet's agenda except for finance updates. This would be disproportionate therefore the frequency of risk review is to be six monthly. Risk associated with individual projects will also be included in any relevant Cabinet papers as well as the risk framework.</p> <p>This will be reflected in the revised Shareholder Protocol.</p>	<p>Client Officer</p> <p>Head of Legal</p>	<p>Mar 22</p>