

REPORT 7**HARBOROUGH DISTRICT COUNCIL****REPORT TO THE CABINET OF 9th March 2020****PUBLIC REPORT: Y****EXEMPT REPORT: N**

Report Title	Report to the Shareholder of Harborough District Commercial Services Limited (“the Company”)
KEY DECISION	N
Report Author	Joint Chief Executive (BJ)
Purpose of Report	To consider and approve the draft Governance Agreement and draft Service Level Agreement attached as Appendices A and B respectively as the Shareholder of the Company.
Reason for Decision	To ensure that the Company has in place a robust governance framework within which to operate.
Portfolio (holder)	The Leader
Corporate Priorities	
Financial Implications	As set out in the body of this report.
Risk Management Implications	The Business Case for the establishment of the Company envisaged that robust governance arrangements would be put in place between the Council and the Company.
Environmental Implications	None as far as this report is concerned.
Legal Implications	The Company is required to operate in accordance with the Companies Act 2006
Equality Implications	None as far as this report is concerned.
Data Protection Implications	None as far as this report is concerned.
Consultation	The Director of Harborough District Commercial Services Limited.
Options	The Council and the Company need to enter into agreements to regulate their respective responsibilities and to govern their relationship and the operation of the Company.
Background Papers	Companies Act 2006
Appendices	Appendix A – Governance Agreement Appendix B – Service Level Agreement
Recommendation to the Cabinet as shareholder	That the Governance Agreement and the Service Level Agreement are approved and authority is delegated to the Joint Chief Executive (BJ) to

	complete the agreements on behalf of the Council as Shareholder.
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1. Key Facts

- 1.1 At its meeting on 26 November 2018 the Executive (now Cabinet) agreed to set up a wholly owned local authority company, limited by shares, with the Council as sole shareholder. This was to enable the Council to progress with a strategic land acquisition with the company owning and managing the land in the short to medium term.
- 1.2 On 2 January 2019, Harborough District Commercial Services Limited (“the Company”) was incorporated having adopted the model Articles of Association (“the Articles”) with Norman Proudfoot, Joint Chief Executive as a Director of the Company (“the Director”).
- 1.3 To ensure the effective operation of the Company and its relationship with the Council it is proposed that a Governance Agreement and Service Level Agreement are entered into on the basis of the draft document attached as Appendices A and B.