

# **Strategy Committee**

## **13<sup>th</sup> December 2018**

### **Homes Dorset Next Steps**

#### **For Decision**

#### **Portfolio Holder**

Leader of the Council and Corporate Portfolio Holder

#### **Senior Leadership Team Contact:**

S Caundle, Assistant Chief Executive

#### **Report Author:**

Stuart Caundle

#### **Statutory Authority**

Localism Act 2011, Section 1(1) (General power of competence) and Section 4, (need for use of a company to achieve commercial purpose) Local Government Act 1972, Section 111(Subsidiary powers for discharge of functions)

#### **Purpose of Report**

1. To enable the next steps to be taken following the establishment of Homes Dorset Ltd.

#### **Recommendations**

2. (i) That pursuant to resolution 102 (a) and (b) of the Strategy Committee on 13<sup>th</sup> March 2018, the Council will subscribe to the entire shareholding of Homes Dorset Ltd in stages; and that the detail of the subscription is determine under the delegation in the following paragraph.  
  
(ii) That authority is delegated to the S.151 Officer in consultation with the Leader and the portfolio holders for Housing and Corporate;  
  
a) To determine the dates of each subscription referred to in the previous paragraph  
b) To determine the number of shares to be acquired through each subscription  
c) To take all action necessary to implement these share subscriptions and  
d) To take any other action he considers necessary or expedient to ensure that Homes Dorset Ltd is able to function in accordance with and for the purposes set out in its memorandum and article of association.  
e) For the avoidance of doubt, the above delegation includes authority to agree an interest free loan of up to twenty thousand pounds to Homes Dorset Ltd, for a period of up to three months.

## **Reason for Decision**

3. So that following the formation of Homes Dorset Ltd, arrangements are put in place to enable the Council to subscribe to the allocated shareholding in stages.

## **Background and Reason Decision Needed**

4. At its meeting on 13<sup>th</sup> March 2018, this committee resolved to establish a housing company in the manner described in the report contained in the agenda for that meeting and the published minutes. Members are referred to that report and minutes. The relevant minute from that meeting is numbered 102.
5. The company has now been established with the name Homes Dorset Ltd, a share capital of four million one pound shares; and directors have been appointed.
6. The purpose of this report is to provide some detail as to how the company may put itself in a position to carry out business as provided for in its memorandum and articles of association.
7. In order to ensure that the agreed shareholding is subscribed to in a manner that will provide capital to the company when required, the recommendations above provide for flexible subscription by the Council in stages.
8. Delegation number d) above is designed to ensure that where further actions are required of the Council in order to resolve its proper relationship with Dorset Homes Ltd and to secure the company's ability to do business, those actions can be taken expeditiously, subject to consultation with the leader and the portfolio holders responsible for this matter.
9. Before the Company is in a position to offer shares to the Council for subscription, it needs to put in place certain governance arrangements which will require specialist services to be acquired at cost. As the company will not acquire capital from the Council until shares have been subscribed to, a short term solution is required to allow these services to be accessed. This is the reason for the loan referred to in recommendation e) above.

## **Implications**

### **Financial**

10. Only those explained in the report.

### **Footnote**

Issues relating to financial, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

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**Date:** 5<sup>th</sup> December 2018