

Appendix 2 - Delegations and Reserved Matters

DELEGATIONS AND RESERVED MATTERS – REPTON PROPERTY DEVELOPMENTS LIMITED (the “Company”)

This Scheme of Delegations document is to be read in conjunction with and is subject to the Constitution and Officer Delegation Scheme of Norfolk County Council (NCC)

All references to a committee or officer position of NCC shall be deemed to include any successor committee or officer position of NCC.

Background

Paragraph 5.10.1 of NCC's Financial Regulations grants powers to the Policy and Resources Committee ('P&R') to establish subsidiary companies of NCC and to take decisions as shareholder of a subsidiary company.

Paragraph 5.10.6 of NCC's Financial Regulations set out that the appointment of directors to companies in which the County Council has an interest must be made by Full Council, having regard to the advice of the Director of Finance and Commercial Services.

This document sets out how the P&R will take decisions as shareholder of the Company.

Approval to incorporate the Company

At the meeting of the P&R on 03/07/17, following recommendations were approved:

- 1 incorporate a company limited by shares wholly owned by NCC so as to allow NCC to exercise the power to trade contained in the Local Government Act 2003 and the Localism Act 2011;
- 2 the primary purpose of the Company is to generate income streams to support service delivery and agree to the secondary objectives as detailed in paragraph 1.2.
- 3 the composition of the Company Board is to include 2 County Councillors, 2 external Non-Executive Directors and 4 County Council Officers.
- 4 the nomination of Councillor Kiddie and Councillor Iles as the founding directors of the new Company. Directors will then be appointed annually, as part of the process for appointment to external bodies.

- 5 the company will be offered suitable NCC surplus properties and other assets, suitable for development, at full market value (each proposed disposal will be reported to P&R).
- 6 endorse the business objectives and operating model for the Company, noting that the Board of the Company will focus on the development of a 5 year business plan, to be reported to the Business and Property Committee before commencing trading.
- 7 the name of the company is to be Repton Property Developments (subject to a final check that name has not been used elsewhere).

Acting as Shareholder of the Company

At the P&R meeting on 26/03/18, the P&R approved the following recommendations (which will be effective from [01/04/18]):

- 1 save in respect of the Reserved Matters, all decisions of NCC as Shareholder of the Company will be taken as follows: by the Director of Finance and Commercial Services (or any successor position thereto) or the Head of Property (or any successor position thereto) as Deputy (the '**Delegated Officer**'). The Delegated Officer shall report to the P&R in respect of all decisions of NCC as Shareholder of the Company.
- 2 Reserved Matters shall not be managed by the board of directors of the Company but shall be under the control of NCC as Shareholder. Decisions in respect of the Reserved Matters shall be made as indicated below, either by:
 - 2.1 the P&R; or
 - 2.2 the Delegated Officer (on behalf of the P&R); or
 - 2.3 the Full Council.
- 3 The following matters are Reserved Matters unless they have been approved in advance in writing by the P&R:

	Reserved Matter	Approval of Delegated Officer	Approval of P&R	Approval of Full Council
1	The presentation of any petition or passing of any resolution for winding-up of the Company, the service of notice of intention to appoint an administrator in respect of the Company, the appointment of an administrator of the Company by the holder of a qualifying floating charge, the Company or the directors of the Company or the presentation of a petition for an administration order in respect of the Company.		✓	
2	The creation, allotment or issue of any shares or the grant or agreement to		✓	

	grant any option over shares or any uncalled capital of the Company or the issue of any obligations convertible into shares.			
3	The admission of any person (whether by subscription or transfer) as a shareholder of the Company.		✓	
4	The borrowing of any money from any person or any change in the banking arrangements or facilities (including change in bank mandates) of the Company.		✓	
5	The giving of any guarantee, indemnity or other security outside the ordinary course of business.		✓	
6	The creation of any mortgage, charge, lien (other than a lien arising in the ordinary course of trading) or encumbrance on any assets or the granting of an option to acquire any assets		✓	
7	The lending of any money (otherwise than by way of deposit with a bank or other institution in the United Kingdom the normal business of which includes the acceptance of deposits or the granting of credit to any person).		✓	
8	The declaration or payment of any dividend or the making of any distribution		✓	
9	The formation or acquisition of any subsidiary of the Company.		✓	
10	The acquisition by the Company of any shares or other interests in any other company or the participation by the Company in any partnership or joint venture.		✓	
11	The amalgamation or merger of the Company with any other company or legal entity.		✓	
12	Any change to the appointment of the directors on the Board from time to time.			✓

13	The determination of any services provided by any of the Directors to the Company.		✓	
14	The fixing or payment of the remuneration of any Director or provision of benefits of any nature whatsoever to any Director, former Director or any associate of any Director or former Director.		✓	
15	Any material change in the nature or scope of the business of the Company or the commencement of any new business not being ancillary or incidental to such business.		✓	
16	The entry into any contract or arrangement (whether legally binding or not) otherwise than on arm's-length market terms.		✓	
17	The making of any claim, disclaimer, surrender, election or consent of a material nature for tax purposes.		✓	
18	The factoring or assignment of any of the book debts or the Company.		✓	
19	The entering into of any contract or arrangement of a material nature outside the normal course of business including, without limitation, the disposal of a material part of the business or undertaking of the Company or a contract or arrangement which cannot be terminated by the Company without penalty or compensation within 12 months of its commencement.		✓	
20	The commencement, settlement or compromise of any material legal dispute or proceeding to which the Company is a party (other than routine debt collection).		✓	
21	The appointment or removal or any material change in the scope of authority of any director or senior officer of the Company.		✓	

22	Any change of the accounting reference date of the Company or a material change to its accounting policies.		✓	
23	Any change of auditors of the Company		✓	
24	Any delegation by the directors of any of their powers to committee of directors or to any other person whomsoever		✓	

- 4 Approval of the P&R or the Full Council may be given in writing by a person delegated by the P&R or the Full Council (as applicable) or by a person(s) delegated by the P&R or the Full Council (as applicable) to attend and vote at a meeting of the board of directors of the Company.
- 5 Approval of the Delegated Officer may be given in writing or by the Delegated Officer attending and voting at a meeting of the board of directors of the Company.
- 6 With the exception of the Reserved Matters, the business and all affairs of the Company shall be managed by the board of directors of the Company. To that end but subject always to the Reserved Matters, the Board shall have full and complete authority, power and discretion to direct, manage and control the Company and the affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incidental to the management of the Company.

Authority in the Company's Articles of Association to impose restrictions on the powers of the Directors

Article 52 of the Company's Articles of Association, sets out that whenever NCC, or any subsidiary of NCC, shall be the holder of any issued ordinary shares of the Company, it may impose restrictions on all or any of the powers of the directors to such extent as NCC may by notice prescribe. Further to Article 52, the P&R has agreed that all Reserved Matters (set out above) relating to the Company shall only be effective if duly approved by the P&R, the Full Council or the Delegated Officer as indicated above.