

## **GOVERNANCE COMMITTEE – 13 JULY 2021**

### **Agenda item 6 – Assessment of the Corporate Governance Framework and Annual Governance Statement for 2020/21**

#### **Post meeting update**

1. At the Governance Committee meeting held on 13 July 2021, the Committee approved the Annual Governance Statement (AGS). One of the appendices was the report on separate bodies that the Council has set up or which it owns. For the purposes of the AGS the Council interprets this as those bodies which are a separate legal entity (e.g. a company) which the Council is a member or has appointed a Member or officer as a Director.

Annex B to Appendix A (page 23 of the agenda pack) of the report included the following in relation to Sea Change Sussex (the trading name of East Sussex Energy Infrastructure and Development (ESEID) Ltd):

“The County Council alongside Rother District Council and Hastings Borough Council have a 19.9% voting right in ESEID Limited company. The University of Brighton have a 30.1% voting right and local businesses the remaining 50%.”

This was incorrect.

The membership of the company is:

- Hastings, Bexhill and East Sussex Business Association Ltd 50%
- East Sussex County Council, Rother District Council, Hastings Borough Council 19.9%
- A member that represents the educational sector in the region 19.9%
- Voluntary Sector 10.2%

This was reported to the Committee at the Committee’s meeting on 30 September 2021 and the Committee agreed that the AGS in the Statement of Accounts be amended to reflect the above.

2. Following the Committee’s meeting in July 2021, it became apparent that information regarding Hastings and Bexhill Renaissance Ltd (a company which the Council is a Member of, and to which Councillor Bennett has been appointed as a Director) should have been included in the list of bodies that the Council has set up or which it owns (to be inserted after page 27 of the agenda pack). At its meeting in September 2021 the Committee agreed that the following be included the AGS to in the published Statement of Accounts:

**Hastings and Bexhill Renaissance Ltd (HBRL)** – This is a non-profit organisation offering business support services for economic development and to improve local education

<p>What the relationship is between the body and the local authority</p>	<p>Alongside Rother District Council, Hastings Borough Council, community/voluntary and private sector representatives, East Sussex is a member of Hastings and Bexhill Renaissance Ltd (HBRL) which trades as ‘Seaspace’. The Articles of Association for HBRL identifies that the members are divided into three classes of membership:</p> <ul style="list-style-type: none"> <li>A. Each of the Councils – total of 19.9% of the voting rights</li> <li>B. Hastings, Bexhill and East Sussex Business Association – 50% of the voting rights</li> <li>C. Up to seven other members - 30.1% of the voting rights</li> </ul> <p>Councillor Bennett sits on the Board of Directors alongside representatives of the other two local authorities and (currently) 4 independent Directors.</p> <p>The company members do not hold shares, but have a percentage voting right in the company. The local authorities between them have 19.9% voting rights.</p> <p>HBRL is focused on the leasing of the commercial premises delivered through the 10 year regeneration programme for Hastings and Bexhill which was completed in 2011.</p> <p>Its successor, East Sussex Energy Infrastructure and Development Ltd, trading as Sea Change Sussex, is a not for profit company focusses on the delivery of economic infrastructure and commercial space in the Bexhill, Hastings and Eastbourne area.</p>
<p>What is the structure and form of the body (eg private limited company etc)</p>	<p>Private company limited by guarantee without share capital</p>
<p>How the Council oversee its activities and provided assurance on its governance including financial governance</p>	<p>Annual General Meetings (AGM) attended by the Directors (Councillor Bennett is the Council appointed Director on HBRL) are held where the following agenda items are considered:</p> <ul style="list-style-type: none"> <li>– the Annual Accounts</li> <li>– Key Issues Memorandum</li> <li>– Letter of Representation</li> </ul>

	The Council appointed Director's attendance at the AGM is supported by a senior officer.
What the relationship is between the body and individual councillors and whether councillors' involvement is likely to constitute a conflict of interest	Councillor Bennett attends the AGM as the Council appointed Director to HBRL.
How can councillors scrutinise the activities of the body, in particular if it will fall within the remit of the audit or scrutiny committee, and if not, how else scrutiny will happen	The Council's role in HBRL falls under the remit of the Place Scrutiny Committee
Designated Officer contact	Richard Dawson, Communities, Economy and Transport