

Investment Board – 15 March 2017

Minutes of the meeting of the **Investment Board** held on **15 March 2017** when there were present:-

Chairman: Cllr M J Steptoe
Vice-Chairman: Cllr J R F Mason

Cllr T G Cutmore
Cllr R R Dray
Cllr M Hoy

Cllr M J Webb
Cllr A L Williams

VISITING MEMBERS

Cllr M J Lucas-Gill, Mrs L Shaw, D J Sperring

APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllrs N J Hookway, Mrs T R Hughes, G J Ioannou, T E Mountain, J E Newport and I H Ward.

SUBSTITUTES

Cllr Mrs C M Mason for Cllr T E Mountain
Cllr C M Stanley for Cllr J E Newport

ALSO PRESENT

D Tribe	-	Chairman of Green Gateway Trading (GM) Ltd
A Aldridge	-	Director of Green Gateway Trading (GM) Ltd

OFFICERS PRESENT

S Scrutton	-	Managing Director
N Khan	-	Executive Director
M Harwood-White	-	Assistant Director, Commercial Services
A Law	-	Assistant Director, Legal Services
M Hotten	-	Assistant Director, Environmental Services
M Power	-	Democratic Services Officer

61 MINUTES

The Minutes of the meeting held on 18 January 2017 were agreed as a correct record and signed by the Chairman.

62 REPORT FROM GREEN GATEWAY TRADING (GM) LTD

The Executive Director highlighted some of the key successes of the company to date. The company, set up less than six months previously, was now fully operational. The company was already in profit and forecast to remain in profit in the next financial year. The company had won business from Parish Councils

and was on track to pay a dividend, as well as reinvest a portion of the profits into the company.

The Chairman of Green Gateway Trading (GM) Ltd advised that the company now had full recruitment and a reliable and motivated team. Health and Safety training and other industry appropriate training had been delivered.

In response to questions, the following was noted:

- Corporation tax of 20% will be payable on profits, which will leave a net profit of £20,000 approximately, depending on financial year end figures.
- The profit from December 2016 to March 2017 was significantly more than was forecast. This includes contracts with the Parish Councils, as well as the District Council's contract.
- Wages and salaries for employees shown in the accounts had increased since the company had started due to staff being recruited in accordance with the Company's business plan. Apprenticeships are included in the Support Costs shown and are a recharge from Rochford District Council.
- Leasing and purchasing of equipment can be considered in future although it makes financial sense to hire equipment for the first few years of trading to enable the company to establish itself in the market. It would not be prudent for the company to use too much capital to buy equipment. The smaller items of equipment bought by the company are written off fully at purchase and not subject to depreciation.
- The company could consider offering a gardening service for individual residents in the forthcoming year.
- It was noted that the company name shown on the Appendix to the report was incorrect: it should be Green Gateway Trading (GM) Ltd.
- Recharges to the company relate to premises costs, management costs, financial, audit and Human Resources costs. Of the 19% overhead costs, 6% is in respect of modern apprenticeships. The company pays loan interest of 14%. NEST pension payments are included in the Wages and Salaries figure.
- Consideration would be given to amending the Profit and Loss Account in future years to exclude VAT, as this is usual practice for private companies.
- Consideration would be given to including a standing item on future Investment Board Agendas, which would provide Members with an update on the major projects. How this would work in practice would be agreed by the Investment Board Chairman and Vice Chairman, in consultation with Council officers, prior to the next scheduled meeting.

Resolved

That the report be received. (ED)

EXCLUSION OF THE PRESS AND PUBLIC

Resolved

That the press and public be excluded from the meeting for the following item of business on the grounds that exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 would be disclosed.

63 PROPERTY STRATEGY PROJECT AND ACQUISITION AND DISPOSAL PROJECT

Members considered the exempt report of the Executive Director, which provided an update on two new asset projects currently being undertaken.

Cllr J R F Mason, Project Sponsor for the two asset projects, provided an update.

Detail on the discussion is set out in the exempt appendix to the Minutes.

Resolved

That the Project Initiation Documents, attached as appendices to the exempt report, be approved. (ED)

The meeting closed at 8.25 pm.

Chairman

Date

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