

Rother District Council**COUNCIL MEETING**

18 September 2023

PUBLIC QUESTION 5**Name of person submitting the question:** Bernard Brown**Member to whom the question is to be put:** Councillor Doug Oliver**Question**

This question concerns the performance of Rother District Council in matters for which the Council is directly responsible in regard to its' 100% ownership of Rother DC Housing Company Ltd. The question is NOT one for the Company. The question is put to RDC as the corporate body being a) the principal party to the Shareholder Agreement and b) the Corporate Body registered at Companies House as a Person of Significant Control.

The Leader is now asked to confirm that the Council, as required under the terms of the Shareholder Agreement and the Council in its' performance of the duties as the Corporate Body designated as a Person of Significant Control in Rother DC Housing Company Ltd, has significantly failed in its' specific responsibilities of Governance.

Will the Leader confirm this failure manifests itself through the breaches of the Companies Act in terms of registering Directors of the Company; the failure to remove Directors on ceasing to be elected members of RDC; the failure to comply with the terms of the Shareholder Agreement in the appointment of external directors to the Company; the failure to prevent Board Meetings which were by default not quorate; the failure to comply with other duties defined in the Shareholder Agreement; the failure to ensure a Service Level Agreement is in place between RDC and Rother DC Housing Company Ltd; the failure to ensure a formal financial agreement covering advances of up to £4 Million by RDC to Rother DC Housing Company Ltd is in place.

Will he precisely identify what steps are being taken to rectify these ongoing failures?

Answer

I welcome Mr Brown's question and have recently provided a detailed response to Mr Brown following the receipt of a letter from him. The letter included a number of questions relating to the Council's governance of Rother DC Housing Company Ltd and these are restated within the Public Question Mr Brown has submitted. In my response to this letter, I have acknowledged some administrative points of learning relating to the governance of the Company. I acknowledge these again here and we are grateful to Mr Brown for drawing these to our attention.

We continue to work with our legal advisors to continuously improve the Council's arrangements for governing the Company. The Council's internal audit team has undertaken a review of the Council's governance of the Company, and a report will be coming forward to the Audit and Standards Committee later in the year. The

report will follow two earlier update reports presented to the Audit and Standards Committee during 2022. I welcome the opportunity to meet with Mr Brown personally in order to demonstrate in more detail the governance arrangements and specialist legal counsel that the Council has in place, in order to oversee the activity of the Housing Company effectively.