



REPORT TO:	COUNCIL
DATE:	16 MARCH 2023
REPORT OF THE:	CHIEF FINANCE OFFICER (s151) ANTON HODGE
TITLE OF REPORT:	TRANSFER OF SHARES IN COUNCIL-OWNED COMPANIES
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 This report seeks authorisation from Members for various aspects of the transfer of Council owned companies as part of the process of local government reorganisation.
- 1.2 There are a number of companies owned by the District and Borough Councils across North Yorkshire. As part of Local Government Reorganisation the District and Borough Councils will automatically transfer to the new authority, being the North Yorkshire Council. However, the ownership of the companies (including ownership of shares) requires steps to be taken to transfer to the new authority. More particularly, shares will need to be transferred in accordance with company law procedure to ensure the companies can continue to operate and provide their services to the Council and public.

2.0 RECOMMENDATIONS

- 2.1 To seek approval of the transfer of shares in Veritau North Yorkshire Limited.
- 2.2 To delegate authority to the Monitoring Officer to take the necessary steps required to transfer the companies including entering into any documents on behalf of the Council that may be required to transfer the companies to the new authority.

3.0 REASON FOR RECOMMENDATIONS

- 3.1 The decision will enable the transfer of functions, property, rights and liabilities to the new unitary authority in accordance with the terms of the North Yorkshire (Structural Changes) Order 2022.

4.0 SIGNIFICANT RISKS

- 4.1 There are no major risks associated with this report.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 The work of internal audit supports the council's overall aims and priorities by promoting probity, integrity and honesty and by helping support the council to become a more effective organisation.

6.0 REPORT DETAILS

- 6.1 There are a number of companies owned by the District and Borough Councils across North Yorkshire. As part of Local Government Reorganisation the District and Borough Councils will automatically transfer to the new authority, being the North Yorkshire Council. However, the ownership of the companies (including ownership of shares) requires steps to be taken to transfer to the new authority. More particularly, shares will need to be transferred in accordance with company law procedure to ensure the companies can continue to operate and provide their services to the Council and public.
- 6.2 Ryedale District Council owns shares in Veritau North Yorkshire (Company Number 7931990) ("Veritau NY") – 10% shares (jointly owned with Veritau Limited (50%) Selby District Council (10%), Richmondshire District Council (10%) Hambleton District Council (10%) and Scarborough Borough Council (10%)).
- 6.3 Action is required by the Council to execute the necessary documents to transfer the company prior to 1 April 2023.
- 6.4 Agreeing to the transfer of ownership of Veritau NY is not a decision which the board of directors can agree to but rather is a decision of the shareholder. Members are therefore being asked to approve the transfer on behalf of the Council as shareholder and delegate authority to the Monitoring Officer to take the necessary steps required to transfer the company including the approval of the Council entering into any documents required to implement the transfer.
- 6.5 Ryedale District Council also owns shares in 82 Castlegate Malton Limited. This company is in the process of being struck off and will cease to exist from 7 April 2023. There are no actions required in relation to this company.

7.0 IMPLICATIONS

- 7.1 The following implications have been identified:
- a) Financial
There are no immediate financial implications for Ryedale in taking this decision.
 - b) Legal
All property, rights and liabilities of the seven District and Borough Councils shall on the 1 April 2023 vest in and transfer to the new authority in accordance with Regulation 7 of The Local Government (Structural Changes) (Transfer of Functions, Property, Rights and Liabilities) Regulations 2008 (2008 Regulations). Whilst the 2008 Regulations transfer the rights and obligations to the new Authority, this does not negate the need to comply with the Companies Act 2006 in transferring the shares and membership interest from the District and Borough Councils to the new authority.
 - c) Other
None to report.

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Background Papers:

Report to P&R 29 September 2011
Report to Full Council 3 November 2011