

## **Record of Decisions**

### **Future options for the structure and operation of Torbay Economic Development Company Limited**

#### **Decision Taker**

Cabinet on 19 September 2023.

#### **Decision**

That the Cabinet recommends to Council that;

1. Torbay Economic Development Company be dissolved, with the Chief Executive overseeing the practical arrangements for the same;
2. In further of 1. above, the Chief Executive be given delegated authority to determine, in consultation with the Leader of the Council;
  - a. the transfer of subsidiary companies or component parts of the business that undertake substantial external trading activity into the Torbay Council Strategic Holding Company,
  - b. the most effective arrangements for the holding of assets currently held by Torbay Economic Development Company,
  - c. agreement of appropriate indemnities that may be required for non executive directors and Board appointments should this be necessary during the transitional period.

#### **Reason for the Decision**

The challenges which Torbay faces in making a step change in its economic performance mean it is an appropriate time to review TDA's objectives and consider what a future role might be.

#### **Implementation**

The recommendation of the Cabinet will be considered at the Council meeting on 20 September 2023.

#### **Information**

The TDA was established as a company in 2011. It was set up as a wholly owned and controlled subsidiary of the local authority so that work could be commissioned to it in line with procurement regulations. The intention was to control the company through its sole membership, through a commissioning process, the appointment of Council directors to its board and through agreed reserved matters which reserve the decision for the Council rather than the company board. The essential activities of TDA were, and continue to be, for the Council. It was agreed the essential activities were complemented by trading activities which have delivered income in support of the Council's objectives since TDA has been operating.

There have been previous reviews of TDA's governance and purpose, most recently in 2021. This resulted in some improvements to governance of wholly owned companies which included, among other changes, the introduction of shareholder meetings. However, the need to deliver more for Torbay at a time of significant change in the regional and national economic development environment means that a review of the fundamental purpose of TDA was needed.

At the meeting Councillor Chris Lewis proposed and Councillor David Thomas seconded a motion that was agreed unanimously by the Cabinet, as set out above.

### **Alternative Options considered and rejected at the time of the decision**

The alternative options were set out in the submitted report and included the following:

- Do nothing;
- Revise TDA governance and service provision; and
- Bring services in house.

### **Is this a Key Decision?**

Yes

### **Does the call-in procedure apply?**

No

**Declarations of interest** (including details of any relevant dispensations issued by the Standards Committee)

None.

### **Published**

20 September 2023

Signed: \_\_\_\_\_  
Leader of Torbay Council on behalf of the Cabinet

Date: \_\_\_\_\_