

Public Document Pack  
SOUTHEND-ON-SEA CITY COUNCIL

**The Shareholder Board**

Date: Tuesday, 12th July, 2022

Time: 6.30 pm

Place: MS Teams

Contact: Robert Harris - Principal Democratic Services Officer

Email: [committeesection@southend.gov.uk](mailto:committeesection@southend.gov.uk)

**A G E N D A**

- 1 **Apologies for absence**
- 2 **Declarations of Interest**
- 3 **Minutes of the meeting held on Monday, 21 March 2022** (Pages 1 - 2)  
Minutes attached
- 4 **Airport Business Park Southend Management Ltd: Receipt of Accounts 2020/21 and Other Matters**  
Report of Executive Director (Finance and Resources) to follow
- 5 **Public Sector Plc (PSP) Update** (Pages 3 - 10)  
Report of Executive Director (Finance and Resources) attached
- 6 **Governance Arrangements - Future Work Plan** (Pages 11 - 14)  
Report of Executive Director (Finance and Resources) attached
- 7 **Exclusion of the Public**

To agree that, under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the item of business set out below on the grounds that it involves the likely disclosure of exempt information as defined in Part 1 of Schedule 12A to the Act, and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

- 8 **LHCS and Southend Travel Partnership Ltd (T/A Vecteo) Update**  
Report of Executive Director (Finance and Resources) to follow

**Chair & Members:**

Cllr K Buck, Cllr T Cox, Cllr M Davidson, Cllr C Mulroney (Vice-Chair), Cllr L Burton, Cllr S George (Chair), Cllr K Mitchell and Cllr M Terry

This page is intentionally left blank

Public Document Pack  
SOUTHEND-ON-SEA CITY COUNCIL

Meeting of The Shareholder Board

Date: Monday, 21st March, 2022

Place: MS Teams

3

**Present:** Councillor I Gilbert (Chair)  
Councillors K Buck, T Cox, M Davidson, M Dent, C Mulroney and  
D Nelson

**In Attendance:** J Chesterton, A Richards, E Cooney, G Webb, A Grant, N Hoskins,  
R Harris  
G Kauders and J Vickers (SWAN Housing Association)

**Start/End Time:** 4.00 pm - 4.47 pm

**1 Apologies for absence**

There were no apologies for absence at this meeting.

**2 Declarations of Interest**

The following declarations of interest were made:

(a) A Richards – Agenda Item 3 (LLP Budget/Reserved Matters Application Extension Request and LLP Financial Statements Year End March 2021) – Non-pecuniary interest: Council representative on Porters Place Southend-on-Sea LLP;

(b) J Vickers – Agenda Item 3 (LLP Budget/Reserved Matters Application Extension Request and LLP Financial Statements Year End March 2021) – Non-pecuniary interest: Swan Housing Association representative on Porters Place Southend-on-Sea LLP;

**3 LLP Budget/Reserved Matters Application Extension Request and LLP Financial Statements Year End March 2021**

The Board received a report of the Director of Regeneration and Growth which:

(i) sought approval to a time extension to the current Porters Place Southend-on-Sea, which was previously extended following a report to the Shareholder Board on 6<sup>th</sup> December 2021;

(ii) sought approval of a request from the Porters Place LLP to continue with the Reserved Matters Application Phase 1a (RMA) beyond 31<sup>st</sup> March 2022 to keep the project on target;

(iii) sought approval of the Porters Place LLP Annual Report and Financial Statements 2020/21, In order that they can be filed by the LLP at Companies House by 31<sup>st</sup> March 2022, subject to no material adjustments at the final audit sign-off. The revised and updated Annual Report and Financial Accounts were presented at the meeting.

(iv) sought approval to the signing of the South East Local Enterprise Partnership (SELEP) back-to-back agreement, between the Council and the LLP to enable funds to be drawn down from this funding stream.

(v) Provided an update on progress of the Better Queensway project including assurances relating to recent announcements by the Council's partner, Swan Housing Association.

The Board also received the latest Annual Report and Financial Statements for the year ended 31<sup>st</sup> March 2021, which reflected only a small change of interest rate which had no material bearing compared to the draft accounts presented in Appendix 1 of the report

The Board asked a number of questions which were responded to by members of Swan, the Porters Place LLP and officers.

On consideration of the report two additional recommendations were proposed and seconded which were carried, as set out at Recommendations 6 and 7 below.

Resolved:

1. That Cabinet be recommended to approve the extension for Porters Place Southend-on-Sea LLP budget period until the revised Business Plan, budget and viability assessment is approved, or 31<sup>st</sup> December 2022, whichever is the earlier.

2. That Cabinet be recommended to give approval to the LLP to continue working with the Local Planning Authority on the Reserved Matters Application Phase 1a, until determination and thereafter until the revised Business Plan and updated viability assessment is approved on or before 31<sup>st</sup> December 2022, whichever is the earlier.

3. That Cabinet be recommended to note the Annual Report and Financial Statements and auditors report for the LLP, year ending 31<sup>st</sup> March 2021 and agreed they be submitted to Companies House, subject to no material changes being raised at the final audit sign-off.

4. That Cabinet be recommended to authorise the Executive Director (Finance and Resources) to complete the South East Local Enterprise Partnership (SELEP) back-to-back agreement with the LLP and authorise funds to be drawn from that grant to fund works in line with the current Business Plan.

5. That the progress of the Better Queensway project, including assurances relating to recent announcements by the Council's partner, Swan Housing Association, be noted.

6. That Cabinet be recommended that no other on-site work is done other than the removal of the pedestrian bridge until there has been a full and independent audit of Swan Housing Association Limited and Orbit Group Limited.

7. That Cabinet be recommended that agreement is sought to keep the underpass open.

**Chair:** \_\_\_\_\_

# Southend-on-Sea Borough Council

Report of Executive Director (Finance & Resources)

To

Shareholder Board

On

12th July 2022

Report prepared by:

Alan Richards – Director of Property & Commercial

Agenda  
Item No.

5

---

## Public Sector Plc (PSP) Update

Relevant Scrutiny Committee(s): Policy & Resources Scrutiny Committee  
Cabinet Member: Councillor Paul Collins

### Part 1 (Public Agenda Item)

---

#### 1. Purpose of Report

To advise members of the Shareholder Board that PSP will become part of Chartway Group and to consider the implications for the Council in the context of its 50:50 joint venture relationship with PSP (PSP Southend LLP).

#### 2. Recommendations

That Shareholder Board notes the report which is presented for information. No decisions are required by Shareholder Board of the Council. The Council does not have any say or influence over this matter, although it is clearly a matter of interest as it concerns the business of the Council's joint venture Partner, but not the PSP Southend LLP Partnership itself.

#### 3. Background

3.1 Members of Shareholder Board will be aware that the Council has been in partnership with Public Sector Plc (PSP) since 2011. PSP's main financial backer is Cabolt Square Capital.

3.2 Officers have been advised by PSP that Cabot Square Capital has acquired a majority shareholding in Chartway Group. There is further information about Chartway Group and the merger in the media release from PSP's website (link at the Background Papers section and reproduced at Appendix 1 for ease of reference).

3.3 The bringing together of PSP, Cabot Square Capital and Chartway Group is considered to be a beneficial change bringing access to greater resources and specialisms via our PSP partnership. The Council will continue to deal with the same team at PSP. In operational and financial terms and beyond the positive benefits that their integration should bring for PSP Southend LLP projects, it is not expected that the Council will experience any significant change.

#### 3.4 About Cabot Square Capital

Independently owned for over 25 years and regulated by the FCA, London-based Cabot Square Capital is a specialist mid-market buyout firm investing in European growth companies with a particular focus on growing operating platforms that generate attractive asset-based returns as well as positive ESG outcomes

### 6. Corporate Implications

#### 6.1 Financial Implications

From the Council's perspective, the arrangements will result in a stronger financial position for PSP (and the Group it is now part of) and are not expected to have any wider financial implications.

#### 6.3 Legal Implications

There are no specific legal implications for the Council and the Council's consent is not required to the proposed arrangements.

### 7. Background Papers

[Cabot Square Capital acquires majority stake in Chartway Group - Public Sector Plc](#)

### 8. Appendices

Appendix 1 – Media release from PSP Website (link at 7 above).  
Appendix 2 – Letter from PSP

[Cabot Square Capital acquires majority stake in Chartway Group - Public Sector Plc](#)

**Cabot Square Capital has acquired a majority shareholding in Chartway Group, one of South-East England’s leading partnerships-based housebuilders. The investment is being made by Cabot Square’s existing portfolio company Public Sector Plc (PSP) to create a new merged Group. PSP is a specialist strategic asset manager that partners with public and private sector bodies to add value to land and property assets as well as deliver positive ESG outcomes for local communities.**

**The investment will support the strategic growth of the Chartway Group**

Independently owned for over 25 years, London-based Cabot Square is a specialist mid-market buyout firm investing in European growth companies with a particular focus on businesses that generate attractive asset-based returns as well as positive ESG outcomes.

Cabot Square recently acquired Premier Modular, a leading provider of modular leasing and permanent solutions predominantly for public sector end markets, shortly thereafter creating the Premier Modular Group by adding to it their existing investment in NetZero Buildings.

**Keith Maddin, Partner at Cabot Square, said:** “Chartway Group are a leading South-East England based partnerships housebuilder with turnover in excess of £100 million and a track record of growing profitability year on year since they were established in 2009. We particularly like their capital-light and vertically integrated business model as well as the opportunity to help address the shortage of low carbon energy efficient housing. Their ability to work across all tenures of housing means they are well placed to adapt to changing market conditions over time”

“The new Group is well positioned to benefit from a number of attractive growth opportunities including synergies between the two businesses. Together they can build a high margin and high return on capital asset-based UK business that can also benefit all stakeholders”

Ian Savage, Chartway Group founder, steps up to become Chairman and along with a number of the Chartway senior executives, will remain a significant shareholder. Steven Cresswell who recently joined Chartway from Thakeham Group will become the new Group Chief Executive with Paul Brown, Chief Executive of PSP, continuing to run the strategic asset management business.

**Ian Savage said:** “We are very pleased that Cabot Square has recognised Chartway’s progress to date and their investment and platform building experience will help us continue in our next phase of growth. This also represents a fantastic opportunity for our staff and customers.”

**Steven Cresswell and Paul Brown added:** “We are excited to be working together and see significant synergies between our organisations. Chartway can add to PSP’s delivery capabilities and PSP will be able to help Chartway expand its relationships with the public sector.”

Advisers to the transaction included KPMG (sellside M&A), Stephenson Harwood (sellside legal), Herbert Smith Freehills (buyside legal), BDO (FDD/TDD), Savills/Mace (CDD) and EY (debt).

Acquisition debt funding was provided by Pricoa Private Capital.

**Jack Gilbert Vice President at Pricoa said:** “We’re delighted to be once again partnering with Cabot Square in a sector we have been a long-term finance provider to and see Chartway as particularly well placed”.

**-ENDS-**



## **About Chartway Group**

Chartway Group was founded by Ian Savage in 2009 and are a leading South-East based partnerships housebuilder with turnover in excess of £100 million and a track record of growing profitability year on year. They deliver housing of all types and tenure and work with a number of the largest not-for-profit Housing Associations as well as sell homes under their own private sales brand Westerhill Homes. They are a vertically integrated business with ground works, dry lining, construction and builders merchant subsidiaries.

[www.chartwaygroup.co.ukwww.publicsectorplc.com](http://www.chartwaygroup.co.ukwww.publicsectorplc.com)

## **About PSP**

PSP is a leading strategic asset and development manager to the public sector creating long term partnerships with Councils and Housing Associations to provide technical property services across the UK and Ireland. A PSP partnership provides resources, expertise, and innovative funding solutions to deliver land, property, and asset related projects to support regeneration, climate change, employment, housing and placemaking initiatives.

In the last decade, PSP has established partnerships across the country with Councils to achieve property related goals along with socio economic outcomes to the benefit of the Council, Community, and local stakeholders.

[www.publicsectorplc.com](http://www.publicsectorplc.com)

## **About Cabot Square Capital**

Independently owned for over 25 years and regulated by the FCA, London-based Cabot Square Capital is a specialist mid-market buyout firm investing in European growth companies with a particular focus on growing operating platforms that generate attractive asset-based returns as well as positive ESG outcomes. Cabot Square provide companies with capital for growth and acquisitions, helping management teams raise equity and debt financing, build-out operations and corporate infrastructure, develop intellectual property and define strategic priorities.

[www.cabotsquare.com](http://www.cabotsquare.com)

This page is intentionally left blank



PSP Facilitating Limited  
Synergy House  
114 – 118 Southampton Row  
London  
WC1B 5AA

020 3675 0057

**Alan Richards**  
**Southend-on-Sea City Council**  
**Civic Centre**  
**Victoria Avenue**  
**Southend-on-Sea**  
**Essex**  
**SS2 6ER**

5 July 2022

**Dear Alan,**

### **PSP merges with Chartway Group**

As a trusted partner, I wish to update you on a significant announcement regarding PSP.

As you are aware, PSP is owned by Cabot Square Capital, which is a specialist firm investing in European growth companies with a particular focus on businesses that are property based and create positive social economic impact.

Over the last 6 months, Cabot Square Capital has been exploring new investment opportunities to become part of their wider portfolio of companies.

As of the 27 June 2022, Cabot Square Capital has taken a majority shareholding in the Chartway Group, a leading South-East England based partnerships housebuilder.

The Chartway Group has a turnover in excess of £100 million and an impressive track record of delivering new homes for all tenure types. Employing nearly 300 people, Chartway creates long-term partnerships with housing associations to develop new homes, as well as constructing homes for sale.

As a result of this new investment by our owners, PSP will join the Chartway Group of companies. The synergies between PSP and the Chartway Group present an opportunity for each business to support each other in delivering their core activity, make even greater social impact across the country and provide PSP with access to an established delivery operation to support our plans for the future.



This is an exciting time and a new chapter for PSP. I wanted to update you on the changes and offer reassurance that they will not affect the way we currently work with you, our services or how we create long term partnerships with public sector organisations.

We will add this to the agenda for our next meeting as an item for discussion. In the meantime, if you have any questions then please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Paul Brown", is positioned above the printed name.

**Paul Brown**

Chief Executive Officer

# Southend-on-Sea City Council

Report of the Deputy Chief Executive (Executive Director  
of Finance & Resources)

to  
**Shareholder Board**

on  
**12th July 2022**

Agenda  
Item No.

**6**

Report prepared by: Peter Bates  
Interim Director of Financial Services

---

**Governance Arrangements – Future Work Programme**  
**Cabinet Member - Councillor Stephen George**  
**A Part 1 Public Agenda Item**

---

**1 Purpose of Report**

To propose a future work programme for the Shareholder Board.

**2 Recommendation**

That the Shareholder Board consider and agree a future work programme.

**3 Background**

Members are asked to consider the attached work programme and highlight any other areas of shareholder interest that they would like to see coming to future meetings of the Shareholder Board.

**4 Other Options**

This report merely sets out a proposed future work programme for the Shareholder Board. No other options were therefore considered.

**5 Reasons for Recommendations**

To provide a future work programme for consideration and agreement.

**6 Corporate Implications**

**6.1 Contribution to Council's Vision & Critical Priorities**

The objectives of all Council Companies and Joint Ventures align with the Council's vision and critical priorities.

6.2 Financial Implications  
None arising from this report.

6.3 Legal Implications  
None arising from this report.

6.4 People Implications  
None arising from this report.

6.5 Property Implications  
None arising from this report.

6.6 Consultation  
None arising from this report.

6.7 Equalities Impact Assessment  
None arising from this report.

6.8 Risk Assessment  
None arising from this report.

6.9 Value for Money  
None arising from this report.

6.10 Community Safety Implications  
None arising from this report.

6.11 Environmental Impact  
None arising from this report.

## **7 Background Papers**

None

## **8 Appendices**

Appendix 1 Shareholder Board - Future Work Programme

Shareholder Board – Future Work Programme

Items for Consideration	Meeting Dates			
	12 <sup>th</sup> October 2022	22nd February 2023	July 2023	October 2023
<p><b>Wholly Owned Subsidiaries</b></p> <p>South Essex Homes Limited - Receipt of Accounts 2021/22</p> <p>South Essex Homes Limited - Review of Business Plan</p> <p>Southend Care Limited - Receipt of Accounts 2021/22</p> <p>Southend Care Limited - Review of Business Plan</p> <p><b>Other Joint Ventures</b></p> <p>Porters Place Southend LLP - Receipt of Accounts</p> <p>Porters Place Southend LLP - Review of Business Plan</p> <p>LHCS and Southend Travel Partnership Ltd (T/A Vecteo) Update</p> <p>LHCS and Southend Travel Partnership Ltd (T/A Vecteo) – Receipt of Accounts and review of Business Plan</p> <p>Airport Business Park Southend Management Ltd</p> <p>Southend-on-Sea Forum Management Company</p> <p>PSP Southend LLP – Receipt of Accounts 2021/22</p> <p><b>Wholly Owned Subsidiaries</b></p> <p>South Essex Homes Limited - Receipt of Accounts 2022/23</p> <p>South Essex Homes Limited - Review of Business Plan</p> <p>Southend Care Limited - Receipt of Accounts 2022/23</p> <p>Southend Care Limited - Review of Business Plan</p>	<p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p>	<p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p>	<p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p>	<p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p>

This page is intentionally left blank