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SOUTHEND-ON-SEA CITY COUNCIL

**The Shareholder Board**

**Date: Wednesday, 22nd February, 2023**

**Time: 6.30 pm**

**Place: Remote Meeting via Microsoft Teams**

**Contact: Robert Harris - Principal Democratic Services Officer**

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

**AGENDA**

- 1 Apologies for absence**
- 2 Declarations of Interest**
- 3 Minutes of the meetings held on 12th October 2022 and 8th November 2022 (Pages 3 - 10)**
- 4 Porters Place Southend-on-Sea LLP and Better Queensway Update (Pages 11 - 14)**  
Report of Director of Regeneration and Growth
- 5 PSP Southend LLP - Receipt of Accounts 2021/22 (Pages 15 - 32)**  
Report of Executive Director (Growth and Housing)
- 6 LHCS and Southend Travel Partnership Ltd Status Update (t/a Vecteo)**  
Report of Executive Director (Neighbourhoods and Environment) to follow
- 7 Governance Arrangements - Future Work Plan (Pages 33 - 36)**  
Report of Executive Director (Finance and Resources)
- 8 Date of next meeting**

**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

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## SOUTHEND-ON-SEA CITY COUNCIL

### Meeting of The Shareholder Board

**Date: Wednesday, 12th October, 2022**

**Place: MS Teams**

# 3

**Present:** Councillor S George (Chair)  
Councillors K Buck, T Cox, M Davidson, C Mulroney (Vice-Chair),  
L Burton, K Mitchell and M Terry

**In Attendance:** J Burr, J Chesterton, P Bates, G Halksworth, R Harris, N Laver and  
E Lindsell  
Also in attendance: M Gatrell, D Lyons and R Eastwood (South  
Essex Homes), S Unsworth, P Little, S Ganeshan and P Thompson  
(Southend Care Ltd)

**Start/End Time:** 6.30 pm - 8.55 pm

#### **1 Apologies for absence**

There were no apologies for absence.

#### **2 Declarations of Interest**

The following declarations of interest were made:

(a) Cllr George – Agenda Items 11 and 12 (Porters Place Southend LLP) – brother-in-law is on the Board of Sanctuary;

(b) Cllr Davidson – Agendas Items 7 and 8 (South Essex Homes Ltd) – Non-Executive Director of South Essex Homes (withdrew)

(c) P Bates – Agenda Items 10 and 14 (LHSC and Southend Travel Partnership Ltd) – Council appointed Director of Vecteo;

(d) G Halksworth – Agenda Items 10 and 14 (LHSC and Southend Travel Partnership Ltd) – Council appointed Director of Vecteo;

#### **3 Minutes of the meetings held on 12 July and 23 August 2022**

Resolved:

That the Minutes of the Meetings held on 12<sup>th</sup> July and 23<sup>rd</sup> August 2022 be confirmed as a correct record.

#### **4 South Essex Homes Limited - Receipt of Accounts 2021/22**

The Board considered a report of the Executive Director (Finance and Resources) presenting the audited South Essex Homes Consolidated Financial Statements for 2021/22.

The Board asked a number of questions which were responded to by the representatives from South Essex Homes Ltd and Council officers.

Resolved:

That the South Essex Homes Financial Statements for 2021/22, be noted.

## **5 South Essex Homes Limited - Review of Business Plan**

The Board considered a report of the Executive Director (Finance and Resources) presenting an overview of the South Essex Homes Business Plan and progress currently made against the plan.

The Board asked a number of questions which were responded to by representatives from South Essex Homes Ltd and Council officers.

Resolved:

That the South Essex Homes Business Plan and progress made, be noted.

## **6 Southend Care Limited - Receipt of Accounts 2021/22**

The Board considered a report of the Executive Director (Finance and Resources) presenting the financial statements of Southend Care Ltd for year ended 31 March 2022, together with the report of their auditors.

The Board asked a number of questions which were responded to by representatives from Southend Care Ltd.

Resolved:

That the financial statements of Southend Care Ltd for the year ended 31 March 2022, together with the report of their auditors, be noted.

## **7 Southend Care Limited - Review of Business Plan**

The Board considered a report from the Executive Director (Finance and Resources) presenting the Business Plan of Southend Care Ltd for review.

The Board asked a number of questions which were responded to by representatives from Southend Care Ltd.

Resolved:

That the Southend Care Ltd Business Plan for 2022/23 and forecast to 2026/27 (5 years), be noted.

## **8 Porters Place Southend LLP - Receipt of Accounts 2020/21**

The Board considered a report of the Executive Director (Finance and Resources) presenting the annual report and audited financial statements of Porters Place Southend LLP for year ended 31 March 2021.

The Board asked a number of questions which were responded to by officers.

Resolved:

That the annual report and financial statements of Porters Place Southend LLP for the year ended 31 March 2021, be noted.

## **9 Porters Place Southend LLP**

The Board received a verbal report from Director of Regeneration and Growth presenting an update on the progress concerning the change of control and acquisition of SWAN.

The Board noted that the discussions between SWAN and ORBIT on the potential take-over had discontinued. SWAN were now in discussions with Sanctuary.

The Board asked a number of questions which were responded to by officers. The Board also noted that a special meeting of the Shareholder Board may be required on the matter.

Resolved:

That the update on the current position concerning the change of control and acquisition of SWAN, be noted.

## **10 LHCS and Southend Travel Partnership Limited (T/A Vecteo)**

The Board considered a report of the Executive Director (Neighbourhoods and Environment) presenting on update on the following matters:

(a) The current level of service delivery to Southend-on-Sea City Council, with a specific focus on the start of the new Autumn school term; and

(b) Vecteo's position in response to the article in the Oracle publication.

The Board asked a number of questions which were responded to by officers.

Resolved:

That the updates on the current level of service delivery and Vecteo's position in response to the article in the Oracle publication, be noted.

## **11 Governance Arrangements - Future Work Plan**

The Board considered the future work programme for the Shareholder Board.

The Board noted that there may be a requirement for special meetings of the Board to be arranged, specifically in relation to Porters Place LLP.

Resolved:

That the Shareholder board work programme be noted.

## **12 Exclusion of the Public**

Resolved:

That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the items of business set out below on the grounds that they involve 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.

## **13 South Essex Homes - Establishment of Additional Commercial Subsidiaries**

The Board considered a confidential report of the Chief Executive of South Essex Homes seeking approval for the establishment of two subsidiary companies of South Essex Homes (SEH).

The Board asked a number of questions which were responded to by the Chief Executive and representatives of South Essex Homes.

Resolved:

1. That Cabinet be recommended to approve the proposal of the SEH Board to establish an additional commercial subsidiary company, in parallel with the existing subsidiary SEPS, for the reasons set out in the report and in line with the recommendation of Trowers and Hamblins.

2. That Cabinet be recommended to approve the proposal of the SEH Board to establish an additional subsidiary company, in anticipation of a partnership being entered into with Southend-on-Sea City Council and others, for the management and/or maintenance of properties on the Roots Hall and Fossetts Farm developments and/or the potential joint venture partner with the developer.

## **14 LHCS and Southend Travel Partnership Ltd (T/A Vecteo) - Commercial Negotiations Update**

The Board considered a confidential report of the Executive Director (Neighbourhoods and Environment) providing an update on the following matters:

- (a) The current position with regards to discussions with London Hire Community Services about the potential for Southend City Council to take on the ownership of 100% of the Vecteo shares; and
- (b) The current financial performance of Vecteo.

The Board asked a number of questions which were responded to by officers.

Resolved:

That the confidential report, be noted.

**Chairman:** \_\_\_\_\_

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## SOUTHEND-ON-SEA CITY COUNCIL

### Meeting of The Shareholder Board

**Date: Tuesday, 8th November, 2022**

**Place: MS Teams**

**Present:** Councillor S George (Chair)  
Councillors T Cox, M Davidson, C Mulroney (Vice-Chair), L Burton,  
K Mitchell, M Terry and \*B Beggs

\*Substitute in accordance with Council Procedure Rule 31.

**In Attendance:** J Chesterton, G Gilbert, J Burr, E Lindsell, C Cummings and R Harris

**Start/End Time:** 10.00am - 10.45am

#### **1 Apologies for absence**

Apologies for absence were received from Councillor Buck (substitute: Cllr Beggs).

#### **2 Declarations of Interest**

The following declaration of interest was made:

Cllr George – Agenda Item 5 (Porters Place LLP – Change of Control) – brother-in-law is on the Board of Sanctuary.

#### **3 Porters Place Southend-on-Sea LLP - Change of Control**

The Board considered a report of the Director of Regeneration and Growth seeking approval to the Council's consent under the Porters Place Southend-on-Sea LLP Partnership Agreement for a change of control in preparation for the proposed acquisition of Swan Housing Association (Swan HA) by Sanctuary Housing Association (Sanctuary).

The Board asked a number of questions which were responded to by the officers.

Resolved:

1. That Cabinet be recommended to give consent, under the Porters Place Southend-on-Sea LLP Agreement, to a change of control of Swan BQ Limited to reflect the proposed acquisition of Swan Housing Association, together with its subsidiaries, by Sanctuary Housing Association.

2. That Cabinet be recommended to authorise the Executive Director (Finance and Resources) to finalise and authorise the execution of any legal documentation (if required) with Sanctuary, and any relevant other party, to comply with the terms of the legal suite and to effect the approval of the change of control.

3. That Cabinet be recommended, as per the recommendations of the Shareholder Board held on 23<sup>rd</sup> August 2022 and the subsequent decision at Cabinet held on 24<sup>th</sup> August 2022 (Minute 227 refers), that the deadline for receipt of the revised Business Plan remains the end of December 2023.

**4 Exclusion of the Public**

Resolved:

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 would involve 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.

**5 London Hire Community Services (LHCS) and Southend Travel Partnership (Vecteo) Share ownership update**

The Board considered a report of the Executive Director (Neighbourhoods and Environment) presenting an update on the progress with regards to discussions with London Hire Community Services (“LHCS”) about the share ownership of Vecteo,

Resolved:

1. That Cabinet be recommended to approve the recommendations set out in the submitted confidential report pertaining to the share ownership of London Hire Community Services (LHCS) and Southend Travel Partnership.

2. That a further report be brought to the next Shareholder Board meeting with an update on the matters set out in the confidential report.

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

# Southend-on-Sea City Council

Report of Director Regeneration & Growth (Interim)

To  
Shareholder Board

On  
22 February 2023

Report prepared by: Emma Lindsell Director Regeneration &  
Growth (Interim)

Agenda  
Item No.

4

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## Porters Place Southend-on-Sea LLP and Better Queensway Update

Cabinet Member: Councillors Stephen George & Ian Gilbert

### Part 1 Public Agenda Item

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#### 1. Purpose of Report

To provide a Better Queensway and Porters Place Southend-on-Sea LLP (Limited Liability Partnership) update to Shareholder Board following the successful business combination between Swan Housing and Sanctuary Housing groups in February 2023.

#### 2. Recommendations

- 2.1 That Shareholder Board note the contents of this report.
- 2.2 That a further update report be provided when Swan/Sanctuary and the Porters Place Southend-on-Sea LLP (the LLP) Board have identified next steps regarding Better Queensway.

#### 3. Background

- 3.1 On 8<sup>th</sup> November 2022 Shareholder Board recommended that the council grant a change of control request from Swan Housing (Swan) which proposed a business combination or merger with Sanctuary Housing (Sanctuary). The council confirmed its agreement to the change of control request in writing to Sanctuary on 22<sup>nd</sup> November 2022.
- 3.2 The business combination was somewhat delayed but was confirmed on 8<sup>th</sup> February 2023. Swan Housing is now a subsidiary of Sanctuary Housing.
- 3.3 The business combination means that Swan Housing remains the council's partner in the LLP but that it has greater business and financial strength as a subsidiary of Sanctuary, a much larger and more robust housing association. To represent this new relationship the report will refer to the post business combination organisation as Swan/Sanctuary.

- 3.4 Swan/Sanctuary has confirmed that its current development pipeline will be reviewed and it will provide the LLP and council a view regarding the timeline for Better Queensway in the coming months. Swan/Sanctuary has indicated that it will be able to identify next steps working with the LLP Board by March 2023.
- 3.5 The council set December 2023 as the deadline for receipt of the revised business plan for Better Queensway. Based on informal discussions with Swan/Sanctuary the revised business plan is expected to be made available for council review over the summer. If the business plan is not in line with the objectives and outcomes as set out in the original scheme and legal agreement the council may consider Swan/Sanctuary to be in breach of agreement.
- 3.6 Swan has notified the LLP of the resignation of their board members and Swan/Sanctuary is expected to notify the LLP Board of replacements imminently. Board members on the council side are the Executive Director Growth & Housing and Head of Corporate Procurement; a third council board member identification process is underway.
- 3.7 It is anticipated that the removal of the Queensway footbridge will commence as soon as the LLP board is able to decide the timeline for the future programme of the Better Queensway scheme.

#### **4. Other Options**

- 4.1 There are currently no options for Shareholder Board to consider. The council will consider options on receipt of a revised business plan should the business plan not deliver on the objectives and outcomes as set out in legal agreements.

#### **5. Reasons for Recommendations**

This update for Shareholder Board captures the latest position with regards to the LLP and the Better Queensway project. A further update will be provided when Swan/Sanctuary and the LLP have identified next steps and a timeline regarding Better Queensway.

#### **6. Corporate Implications**

##### **6.1 Contribution to the Southend 2050 Road Map & Corporate Plan**

- 6.1.1 Contributions to Southend 2050 remain the same as the Shareholder Board report from 8<sup>th</sup> October 2022.

- 6.1.2 The project contributes strongly to two priorities in the Corporate Plan
- A city delivering genuinely affordable housing – the project delivers new homes on the edge of the city centre which are of good quality and deliver environmental sustainability improvements
  - A city with a good quality of life – the project delivers new parks and open spaces, and enhances connectivity between Queensway and the city centre, these enable people to stay active and make positive active travel choices.

- 6.2 Financial Implications  
There are no financial implications relating to this report
- 6.3 Legal Implications  
There are no legal implications relating to this report
- 6.4 People Implications  
There are no legal implications relating to this report
- 6.5 Property Implications  
There are no property implications relating to this report. The acquisitions programme will recommence when Swan/Sanctuary and the LLP Board can provide clarity on timeline and next steps.
- 6.6 Consultation  
There is no consultation relating to this report. Residents will be informed that the business combination has been successful in the coming weeks.
- 6.7 Equalities and Diversity Implications  
There are no equalities and diversity implications related to this report
- 6.8 Risk Assessment  
The key risk relating to this report is that decisions by the LLP may be slowed as Swan board members have resigned and no replacements have been identified. To mitigate this risk the council will request that Swan/Sanctuary nominate replacement board members in time for a March Board meeting.
- 6.9 Value for Money  
There is no value for money consideration related to this report
- 6.10 Community Safety Implications  
There are no community safety implications related to this report
- 6.11 Environmental Impact  
There are no environmental impacts related to this report

## **7. Background Papers**

8th November 2022 Shareholder Board - Porters Place Southend-on-Sea LLP:  
Change of Control

## **8. Appendices**

None

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# Southend-on-Sea Borough Council

Report of the Executive Director Growth & Housing  
to  
**Shareholder Board**  
on  
**22 February 2023**

Report prepared by:  
Alan Richards - Executive Director (Growth and Housing)

Agenda  
Item No.

**5**

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## **PSP Southend LLP: Receipt of Accounts 2021/22**

**Cabinet Member - Councillor Paul Collins**

### ***A Part 1 Public Agenda Item***

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#### **1 Purpose of Report**

To present to the Shareholder Board with the financial statements of PSP Southend LLP for year ended 31 March 2022, together with the report of their auditors.

#### **2 Recommendation**

That the Shareholder Board receives the financial statements of PSP Southend LLP for the year ended 31 March 2022 together with the report of the auditors.

#### **3 Background**

PSP Southend LLP is a 50:50 Limited Liability Partnership (LLP) established in December 2011 between the Council and PSP Facilitating Ltd.

The LLP provides one option for the Council to consider in relation to land development and property projects where using the LLP can be demonstrated to be the best option. Example projects which have been completed include the redevelopment of Hinguar Primary School, Saxon Lodge and the former Library, Community Centre and Pupil Referral Unit on Constable Way.

A representative of PSP Southend LLP will present this report to the Shareholder Board and respond to any Members' questions.

#### **4 Corporate Implications**

##### **4.1 Contribution to Council's Vision & Critical Priorities**

Oversight of the financial statements of PSP Southend LLP by the Shareholder Board on behalf of the Council plays a key part in maintaining the Council's reputation for strong financial probity and stewardship.

## 4.2 Financial Implications

The Statement of Accounts is required to present a true and fair picture of the Company's financial position as at 31 March 2022 and also the profit and loss for the financial year.

## 4.3 Legal Implications

The financial statements of PSP Southend LLP are governed by the Companies Act 2006.

## 4.4 People Implications

There are no people implications arising from this report.

## 4.5 Property Implications

There are no implications arising from this report; property matters are dealt with on a case-by-case basis and whilst feasibility work can be undertaken, no land can be formally opted into the LLP without Cabinet approval.

## 4.6 Consultation

There are no consultation implications arising from this report.

## 4.7 Equalities Impact Assessment

There are no equalities implications arising from this report.

## 4.8 Risk Assessment

There are no risk implications arising from this report.

## 4.9 Value for Money

There is no value for money implications arising from this report.

## 4.10 Community Safety Implications

There are no community safety implications arising from this report.

## 4.11 Environmental Impact

There are no environmental implications arising from this report.

## 5 Background Papers

Detailed working papers are held by PSP Southend LLP.

## 6 Appendices

**Appendix 1** The financial statements of PSP Southend LLP for 2021/22.



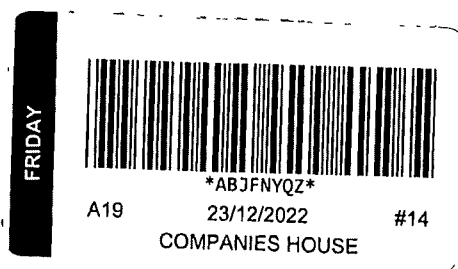
**PSP Southend LLP**

Financial Statements

Year Ended

31 March 2022

Company Number OC370692



# PSP Southend LLP

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## **PSP Southend LLP**

### **Limited Liability Partnership Information**

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#### **Designated Members**

Southend on Sea City Council  
PSP Facilitating Limited

#### **LLP registered number**

OC370692

#### **Registered office**

Synergy House, 114 - 118 Southampton Row, London, England, WC1B 5AA

#### **Independent auditor**

Crowe U.K. LLP , Riverside House, 40-46 High Street, Maidstone, Kent ME14 1JH

# PSP Southend LLP

## Members' Report For the Year Ended 31 March 2022

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The members present their annual report together with the audited financial statements of PSP Southend LLP (the LLP) for the year ended 31 March 2022

### Principal activity

The principal object of the LLP is the development of sites as part of the regeneration of the City of Southend on Sea.

### Designated members

PSP Facilitating Limited and Southend on Sea City Council were designated members of the LLP throughout the year

### Members' capital and interests

Each member's subscription to the capital of the LLP is determined by their percentage interest in the LLP. Any decision to return capital must be approved by all of the members

Details of changes in members' capital in the year ended 31 March 2022 are set out in the reconciliation of members' interests.

Net profit or loss for each accounting period shall be allocated to the members in proportion to their agreed share.

### Disclosure of information to auditor

Each of the persons who are members at the time when this members' report is approved has confirmed that:

- so far as that member is aware, there is no relevant audit information of which the LLP's auditor is unaware; and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the LLP's auditor is aware of that information

### Auditor

The auditor, Crowe U.K. LLP, has indicated its willingness to continue in office. The designated members will propose a motion re-appointing the auditor at a meeting of the members.

This report was approved by the members on 22 December 2022 and signed on their behalf by:



**PSP Facilitating Limited**  
Designated member

## **PSP Southend LLP**

### **Members' Responsibilities Statement For the Year Ended 31 March 2022**

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The members are responsible for preparing the members' report and the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under these regulations the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under these regulations the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period

In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the entity will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## PSP Southend LLP

### Independent Auditor's Report to the Members of PSP Southend LLP For the Year Ended 31 March 2022

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#### Opinion

We have audited the financial statements of PSP Southend LLP (the LLP) for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Reconciliation of Members' Interests and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)

In our opinion, the financial statements.

- give a true and fair view of the state of the LLP's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to LLPs

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the LLP's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

#### Other information

The members are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## PSP Southend LLP

### Independent Auditor's Report to the Members of PSP Southend LLP For the Year Ended 31 March 2022

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#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to LLPs requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the LLP, or returns adequate for our audit have not been received from branches not visited by us; or
- the LLPs financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the members report and from the requirement to prepare a strategic report

#### Responsibilities of members

As explained more fully in the members' responsibilities statement set out on page 2, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with members and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006 and taxation legislation,

## PSP Southend LLP

### Independent Auditor's Report to the Members of PSP Southend LLP For the Year Ended 31 March 2022

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To address the risk of fraud through management bias and override of controls, we

- performed analytical procedures to identify any unusual or unexpected relationships,
- tested a sample of journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias, and
- investigated the rationale behind significant or unusual transactions where applicable

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation, and
- enquiring of management as to actual and potential litigation and claims,

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the members and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to Limited Liability Partnerships (LLPs). Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Crowe U.K. LLP*

Mark Sisson (Senior Statutory Auditor)  
For and on behalf of  
Crowe U.K. LLP  
Chartered accountants and statutory auditor  
Riverside House,  
40-46 High Street,  
Maidstone,  
Kent,  
ME14 1JH  
23rd December 2022



## PSP Southend LLP

### Statement of Comprehensive Income For the Year Ended 31 March 2022

|  | Notes | Year ended<br>31 March<br>2022<br>£ | Year ended<br>31 March<br>2021<br>£ |
|--|-------|-------------------------------------|-------------------------------------|
| Turnover   | 4     | -                                   | 749,391                             |
| Cost of sales  | 4     | -                                   | (511,520)                           |
| Gross profit   |       | -                                   | 237,871                             |
| Administrative expenses  |       | (12,345)                            | (12,671)                            |
| <b>Operating profit/(loss)</b>   |       | <b>(12,345)</b>                     | <b>225,200</b>                      |
| <b>Profit/(loss) for the year before members' remuneration and profit shares</b> | 6     | <b>(12,345)</b>                     | <b>225,200</b>                      |
| Members' remuneration charged as an expense / (income)                           |       | <b>12,345</b>                       | <b>(225,200)</b>                    |
| <b>Results for the year available for discretionary division</b>                 |       | <b>-</b>                            | <b>-</b>                            |

There was no other comprehensive income for 2022 (year ended 31 March 2021 - £Nil).

The notes on pages 9 to 12 form part of these financial statements

# PSP Southend LLP

Registered number: OC370692

## Statement of Financial Position For the Year Ended 31 March 2022

|   | Notes | 31 March<br>2022<br>£ | 31 March<br>2022<br>£ | 31 March<br>2021<br>£ | 31 March<br>2021<br>£ |
|---|-------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Current assets</b>                                       |       |                       |                       |                       |                       |
| Stocks  | 7     | 3,695                 |                       | 2,330                 |                       |
| Debtors: amounts falling due within one year                | 8     | -                     |                       | 1,738                 |                       |
| Cash at bank and in hand                                    |       | <u>1,010,351</u>      |                       | <u>1,016,259</u>      |                       |
|   |       | <b>1,014,046</b>      |                       | <b>1,020,327</b>      |                       |
| Creditors: amounts falling due within one year              | 9     | <u>(10,392)</u>       |                       | <u>(4,327)</u>        |                       |
| <b>Net current assets</b>                                   |       |                       | <b>1,003,654</b>      |                       | <b>1,016,000</b>      |
| <b>Net assets</b>   |       |                       | <b>1,003,654</b>      |                       | <b>1,016,000</b>      |
| <b>Represented by:</b>                                      |       |                       |                       |                       |                       |
| <b>Loans and other debts due to members within one year</b> |       |                       |                       |                       |                       |
| Other amounts   | 10    |                       | 1,003,652             |                       | 1,015,998             |
| <b>Members' other interests</b>                             |       |                       |                       |                       |                       |
| Members' capital classified as equity                       |       |                       | 2                     |                       | 2                     |
|   |       |                       | <u>1,003,654</u>      |                       | <u>1,016,000</u>      |
| <b>Total members' interests</b>                             |       |                       |                       |                       |                       |
| Loans and other debts due to members                        | 10    |                       | 1,003,652             |                       | 1,015,998             |
| Members' other interests                                    |       |                       | 2                     |                       | 2                     |
| <b>Total equity</b>   |       |                       | <b>1,003,654</b>      |                       | <b>1,016,000</b>      |

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small LLPs regime.

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 22 December 2022.

The notes on pages 9 to 12 form part of these financial statements.



**PSP Facilitating Limited**  
Designated member

## PSP Southend LLP

### Reconciliation of Members' Interests For the Year Ended 31 March 2022

|   | Equity<br>Members'<br>other interests                 | Debt Loans and<br>other debts due to<br>members less any<br>amounts due from<br>members in<br>debtors | Total member'<br>interests |
|---|---|---|----------------------------|
|   | Members'<br>capital<br>(classified as<br>equity)<br>£ | Other amounts<br>£  | Total<br>£                 |
| <b>Balance at 31 March 2020</b>                     | 2   | 790,796   | 790,798                    |
| Allocated profit                                    | -   | 228,424   | 228,424                    |
| <b>Members' interests after profit for the year</b> | 2   | 1,019,220   | 1,019,222                  |
| Amount repaid to members                            | -   | (3,222)   | (3,222)                    |
| <b>Balance at 31 March 2021</b>                     | 2   | 1,015,998   | 1,016,000                  |
| Allocated loss                                      | -   | (12,345)  | (12,345)                   |
| <b>Members' interests after profit for the year</b> | 2   | 1,003,653   | 1,003,655                  |
| <b>Balance at 31 March 2022</b>                     | 2   | 1,003,653   | 1,003,655                  |

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

The notes on pages 9 to 12 form part of these financial statements.

# PSP Southend LLP

## Notes to the Financial Statements For the Year Ended 31 March 2022

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### 1 General information

PSP Southend LLP is a limited liability partnership (LLP) incorporated in England and Wales under the Companies Act 2006. The company is registered in England and Wales. The address of the registered office is Synergy House, 114 - 118 Southampton Row, London, England, WC1B 5AA, United Kingdom. The nature of the LLP's operations and its principal activity is shown in the members' report.

### 2 Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the LLP's accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

#### 2.2 Going concern

The members have made an assessment as to whether the LLP is a going concern. The members consider that the LLP is able to continue as a going concern due to ongoing support from PSP Facilitating Limited, a company that jointly controls the LLP.

#### 2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the LLP and the revenue can be reliably measured.

Property sales are recognised upon legal completion at the transaction price, net of VAT.

Rental income is recognised on a straight line basis over the term of the lease.

#### 2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. At each statement of financial position date, stocks are assessed for impairment.

If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### 2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

## PSP Southend LLP

### Notes to the Financial Statements (continued) For the Year Ended 31 March 2022

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#### 2 Accounting policies (continued)

##### 2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.7 Financial instruments

The LLP only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the LLP would receive for the asset if it were to be sold at the reporting date.

##### 2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 2.9 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.10 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

## PSP Southend LLP

### Notes to the Financial Statements (continued) For the Year Ended 31 March 2022

#### 3 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the members have made the following judgements:

Carrying value of stocks

In applying the LLP's accounting policy for the valuation of stocks the members are required to assess the expected selling price and costs to complete and sell each scheme. Estimation of the selling price is subject to significant inherent uncertainties, in particular the prediction of future trends in the market value of property.

#### 4 Turnover

All turnover arose within the United Kingdom.

|                                   | Year ended<br>31 March<br>2022<br>£ | Year ended<br>31 March<br>2021<br>£ |
|-----------------------------------|-------------------------------------|-------------------------------------|
| Sales of trading stock properties | -                                   | 749,391                             |

#### 5 Auditor's remuneration

|   | Year ended<br>31 March<br>2022<br>£ | Year ended<br>31 March<br>2021<br>£ |
|---|-------------------------------------|-------------------------------------|
| Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual financial statements | 3,600                               | 3,975                               |

#### 6 Allocated profit/(loss)

|  | 31 March<br>2022<br>£ | 31 March<br>2021<br>£ |
|--|-----------------------|-----------------------|
| Members' remuneration charged as an expense / (income) | (12,345)              | 225,200               |
| Facilitation returns payable to a member               | -                     | 3,224                 |
|  | (12,345)              | 228,424               |

## PSP Southend LLP

### Notes to the Financial Statements (continued) For the Year Ended 31 March 2022

| 7 | Stocks                            | 31 March<br>2022 | 31 March<br>2021 |
|---|-----------------------------------|------------------|------------------|
|   |                                   | £                | £                |
|   | Freehold and leasehold properties | 3,695            | 2,330            |

An impairment loss of £0 (year ended 31 March 2021 - £77,873) was recognised in cost of sales against stock during the year due to aborted projects.

| 8 | Debtors: amounts falling due within one year | 31 March<br>2022 | 31 March<br>2021 |
|---|--|------------------|------------------|
|   |  | £                | £                |
|   | Other debtors                                | -                | 1,738            |
|   |  | -                | 1,738            |

| 9 | Creditors: amounts falling due within one year | 31 March<br>2022 | 31 March<br>2021 |
|---|--|------------------|------------------|
|   |  | £                | £                |
|   | Other creditors                                | -                | 31               |
|   | Accruals and deferred income                   | 10,392           | 4,296            |
|   |  | 10,392           | 4,327            |

| 10 | Loans and other debts due to members | 31 March<br>2022 | 31 March<br>2021 |
|----|--------------------------------------|------------------|------------------|
|    |                                      | £                | £                |
|    | Other amounts due to members         | 1,003,652        | 1,015,998        |

Loans and other debts due to members rank equally with debts due to ordinary creditors in the event of a winding up

#### 11 Related party transactions

As at 31 March 2022 the LLP owed, £1,003,652 (31 March 2021- £1,015,998) to its members, PSP Facilitating Limited and Southend on Sea City Council in respect of profits accumulated by the LLP

#### 12 Controlling party

The LLP is jointly controlled by PSP Facilitating Limited and Southend on Sea City Council, and as such there is no ultimate controlling party.

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# Southend-on-Sea City Council

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

to  
**Shareholder Board**

on  
**22 February 2023**

Agenda  
Item No.

**7**

Report prepared by: Peter Bates  
Interim Director of Financial Services

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

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**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 |              |               |           |
|--|---------------|--------------|---------------|-----------|
|  | July 2023     | October 2023 | February 2024 | July 2024 |
| <b>Other Joint Ventures</b>  |               |              |               |           |
| Porters Place Southend LLP - Receipt of Accounts 21/22 (Audited)                                     | √             |              |               |           |
| Porters Place Southend LLP - Review of Business Plan   | √             |              |               |           |
| LHCS and Southend Travel Partnership Ltd (T/A Vecteo) - Receipt of Accounts (Year End February 2023) | √             |              |               |           |
| LHCS and Southend Travel Partnership Ltd (T/A Vecteo) - Review of Business Plan                      | √             |              |               |           |
| Airport Business Park Southend Management Ltd  | √             |              |               |           |
| Southend-on-Sea Forum Management Company   | √             |              |               |           |
| PSP Southend LLP Update  | √             |              |               |           |
| <b>Wholly Owned Subsidiaries</b>   |               |              |               |           |
| South Essex Homes Limited - Receipt of Accounts 2022/23  |               | √            |               |           |
| South Essex Homes Limited - Review of Business Plan  |               | √            |               |           |
| Southend Care Limited - Receipt of Accounts 2022/23  |               | √            |               |           |
| Southend Care Limited - Review of Business Plan  |               | √            |               |           |
| <b>Other Joint Ventures</b>  |               |              |               |           |
| Porters Place Southend LLP - Receipt of Accounts 2022/23   |               |              | √             |           |
| LHCS and Southend Travel Partnership Ltd (T/A Vecteo) - Receipt of Accounts                          |               |              |               | √         |
| LHCS and Southend Travel Partnership Ltd (T/A Vecteo) - Review of Business Plan                      |               |              |               | √         |
| Southend-on-Sea Forum Management Company   |               |              | √             |           |
| PSP Southend LLP – Receipt of Accounts 2022/23   |               |              |               | √         |

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