

Southend-on-Sea Borough Council

Report of the Executive Director of Finance and
Resources

to

Shareholder Board

on

12 July 2022

Report prepared by:

Alan Richards - Director of Property and Commercial

Agenda
Item No.

Airport Business Park Southend Management Ltd: Receipt of Accounts 2020/21 and Other Matters

Cabinet Member - Councillor Paul Collins

A Part 1 Public Agenda Item

1 Purpose of Report

To present to the Shareholder Board the Annual Report and financial statements of Airport Business Park Management Ltd for year ended 30 June 2021, together with the report of their auditors.

2 Recommendations

- 2.1 That the Shareholder Board receives the Annual Report and financial statements of Airport Business Park Management Ltd (ABPML) for the year ended 30 June 2021 together with the report of the auditors which were submitted to Companies House 23 March 2022.
- 2.2 That Shareholder Board note the recommendations to appoint directors to ABPML and to transfer the freehold interest in the roads and common parts and to note that this will be actioned pursuant to the delegation to the Executive Director (Finance and Resources) set out in the Constitution (Part 3, Schedule 3, para 4.4).

3 Background

- 3.1 ABPML is the estate company established by HBD to manage the Airport Business Park Southend common areas and estate roads. ABPML has appointed Savills to deal with all estate management and to administer the estate service charge.

- 3.2 Currently, whilst it holds the majority shareholding, the Council does not have directors on this company however this situation should be reviewed now that the Costa Drive Thru has been formally completed and the Launchpad is nearing practical completion. This provides the Council with long-term operational land interests at the Airport Business Park. The Council remains the principal shareholder with shares being distributed to plot owners according to the land ownership as the business park is developed. All owners pay proportionately into the service charge therefore at this stage, the Council, Ipeco, Costa and HBD (in relation to the Quad) carry the main liabilities and this situation will change over time as more plots are agreed and developed.
- 3.3 This report also asks Shareholder Board to note the intention for the roads and common parts to be transferred to ABPML so that the liabilities in relation to this infrastructure move from the Council to ABPML and align with the principle of distributed ownership between the ultimate owners of the Business Park. There are some technical matters to deal with in progressing this intention and therefore whilst these are in hand, it is likely to take several months to progress the actual transfer. A valuation of the land to be transferred will also be required. The valuation is expected to be nominal and therefore the transaction would also be dealt with under delegated authority as set out in the recommendations.
- 3.4 A representative of Savills on behalf of Airport Business Park Management Ltd will present this report to the Shareholder Board and respond to Members' questions alongside relevant officers.

4 Corporate Implications

4.1 Contribution to Council's Vision & Critical Priorities

Robust oversight of the financial statements of Airport Business Park Management Ltd 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 30 June 2021.

4.3 Legal Implications

The financial statements of Airport Business Park Management Ltd are governed by the Companies Act 2006

4.4 People Implications

It is recommended that two Council officers be appointed as directors onto the Airport Business Park Management Limited.

4.5 Property Implications

There are no property implications arising other than those set out in this report

4.6 Consultation

There are no consultation implications arising from this report

4.7 Environmental Impact

There are no environmental implications arising from the recommendations of this report.

5 Background Papers

Detailed working papers are held by Airport Business Park Management Ltd

Companies House link for further details: [AIRPORT BUSINESS PARK SOUTHEND MANAGEMENT LIMITED](#)

6 Appendices

Appendix 1 – Annual Report and financial statements of Airport Business Park Management Ltd