

**CAMBRIDGESHIRE HORIZONS –
PROPOSED CHANGES TO COMPANY ARTICLES & MEMORANDUM**

(Report by the Head of Legal and Democratic Services)

1. Purpose of Report

To approve proposed changes to the Articles and Memorandum of Cambridgeshire Horizons and to authorise the Council to enter into a Memorandum of Understanding to deal with the repayment of monies previously advanced by the company.

2. Background

- 2.1 Whilst Cambridgeshire Horizons is winding down its operations, the Board has decided that the company should be maintained as a legal entity, principally in order to receive the returning housing growth fund investments and loans over the next few years.
- 2.2 This necessitates a change to the company's Articles of Association. The main changes are to omit EEDA and English Partnerships as company members and to give greater discretion around meetings and business planning, as the company will be largely dormant until money starts returning.
- 2.3 A copy of the Articles showing all proposed amendments in track changes is attached as annex A.
- 2.4 The Members Agreement also requires amendment, the most significant amendments being in respect of decisions which require unanimous member approval (schedule 5), or the approval of all the Directors of the Member Organisations (schedule 6) and those requiring a majority Board approval (schedule 7).
- 2.5 Extracts of the Members Agreement, including Schedules 5-7 showing the proposed alterations in track changes is attached as annex B.
- 2.6 Finally, the Council is required to enter into a Memorandum of Understanding, which outlines the basis on which returning monies are apportioned and the priority in which they are repaid. The main provision is that the County Council has first call on the returning monies and would be paid back the £1.15m prudential borrowing it undertook to cover agreed shortfalls in the company's capital expenditure programme.

2.7 A copy of the Memorandum of Understanding is attached at annex C.

3. **Recommendation**

The Cabinet is recommended:-

- 1) to approve the proposed changes to the Articles and Memorandum of Cambridgeshire Horizons; and
- 2) authorise the Council to enter into the attached Memorandum of Understanding.

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Background papers: Legal and Democratic Services File L/POG/20