

REDDITCH BOROUGH COUNCIL

RECORD OF DECISION TAKEN UNDER URGENCY PROCEDURES

SUBJECT: Funding of Rubicon for Financial Year 2020/21

BRIEF STATEMENT OF SUBJECT MATTER:

Rubicon is a 100% owned Council subsidiary which has the requirement to submit accounts to Companies House on an annual basis.

The 2020/21 financial year saw most Rubicon services closed for significant periods of the financial year due to C-19. Rubicon and the Council both received grant funding to support the service during this period. The 2020/21 Council outturn report was presented to Executive on the 11th January 2022. This report noted that an additional £120k of general covid grant, over and above the £543k already allocated earlier in the year, be paid to Rubicon Leisure to balance the year end position, as agreed by the S 151 Officer. At this time, both the Council's and Rubicon's accounts were not fully closed due to issues with the implementation of a new financial system on the 8th February 2021. These issues are still not fully resolved as of today.

Rubicon's accounts should have been filed at Companies House by the 31st December 2021 for the 2020/21 Financial year. This did not happen, and legal action is being taken by Companies House against the Rubicon Directors requiring the accounts to be completed and filed by the 30th June 2022.

The Council has been working with Rubicon's External Auditors UHY Hacker Young to ensure an approved set of accounts can be submitted by the 30th June. In undertaking this work, significant corrections have needed to be made, due to issues with financial data, resulting in net Income and Expenditure needing to be reduced by £135,000. As per the Outturn report in January, the Council needs to support this change with the application of C-19 grant to ensure a break-even position is maintained over the 2019/20 and 2020/21 financial years. This will ensure that Rubicon can recoup the taxable profit that was made in the 2019/20.

DECISION:

RESOLVE

To transfer £135,000 of C-19 Grant to Rubicon for the 2020/21 financial year to ensure the Audit can be completed.

(Council decision)

GROUND FOR URGENCY:

Rubicon's accounts need to be filed by the 30th June as described above. Work has only just been completed as part of the 2020/21 Audit to set out the magnitude of additional support required for Rubicon to Break Even (as per the Outturn Report). Part of the Audit to deliver this requires the Council to confirm support of Rubicon's break-even position before their Directors sign off the Accounts on the 29th June 2022.

DECISION APPROVED BY:

(Deputy) **CHIEF EXECUTIVE**

SECTION 151 OFFICER
(if financial implications)

.....
(Signature) (Sue Hanley / Kevin Dicks - (D)CX)

.....
(Signature) (Pete Carpenter)

Date: 29 June 2022

PROPOSED ACTION SUPPORTED *(amend as appropriate)*

..... (Signature) (Signature) (Signature) (Signature) (Signature)
<i>(Block Capitals)</i>	<i>(Block Capitals)</i>	<i>(Block Capitals)</i>	<i>(Block Capitals)</i>	<i>(Block Capitals)</i>
MAYOR *	PF HOLDER	LEADER of the LABOUR Group	LEADER / LDR CONSERVATIVE Group	CHAIR O&S Committee
Date:	Date:	Date:	Date:	Date:

Notes:

* In addition to the Executive decision above regarding the matter under consideration, the Mayor is signing to agree both that the Executive decision proposed is reasonable in all the circumstances and to it being treated as a matter of urgency. This is to ensure that the call-in procedures as set out in Part 8 of the Constitution shall not apply where an Executive decision being taken is urgent.