

## ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET

1.	<b>Meeting:</b>	Cabinet
2.	<b>Date:</b>	23 May 2012
3.	<b>Title:</b>	RBT Liquidation
4.	<b>Directorate:</b>	Resources

### 5. Summary

This report asks Cabinet to authorise Councillors Rose McNeely and/or Alex Sangster to act on behalf of the Council in the liquidation of RBT.

### 6. Recommendation

**Cabinet is requested to authorise Councillor Rose McNeely and/or Councillor Alex Sangster to act as the authorised representative of the Council in its capacity as shareholder in RBT (Connect) Limited and accordingly to do anything which in his or her discretion is necessary or desirable in connection with the processes outlined in paragraph 7 of this report and for the voluntarily winding up of the company.**

## **7. Proposals and Details**

On 1 February 2012 the Council and BT signed a legal agreement to end the RBT partnership. During the period 1 February 2012 to 31 March 2012 the final transactions between the Council and RBT were completed, enabling the preparation of the RBT financial accounts as at 31 March 2012 to be completed.

As the partnership has now ended and the accounting transactions have been completed, there is now a need to liquidate the RBT Company.

Two Councillors (Councillors Rose McNeely and Alex Sangster) have been appointed by the Council as directors of the Company. They will be able to agree decisions on behalf of the Company in respect of the liquidation.

However, neither of the Councillors has been authorised to act as the authorised representative of the Council in its capacity of shareholder. The articles of association for the company require the Council to appoint a duly authorised representative to attend meetings of the company and either Cllr McNeeley or Cllr Sangster could fulfil that role and it would be administratively logical and convenient for one of them to perform this task.

Briefly, the process for liquidation is:

- Directors of the Company make a statutory declaration of solvency, stating that the Company will be able to pay any debts in full within 12 months from the start of the winding up
- Directors of the Company then pass a resolution to wind up the Company voluntarily, and appoint a liquidator
- The liquidator takes control of the Company and conducts various statutory financial procedures, primarily in this case ensuring there are no outstanding claims / invoices to be made against the Company
- On completion of the statutory financial procedures the liquidator arranges a final meeting of the directors, where he/she explains the Company's final position
- When the shareholders (the Council and BT) are happy that the statutory financial procedures have been satisfactorily completed, they will ask directors to complete the liquidation process
- The liquidator is then required to file various documents with the Registrar of Companies, and the Company is dissolved three months later.

The first liquidation meeting is expected to take place in late May / June, following an appropriate delegation of authority by Cabinet.

## **8. Finance**

It is expected that there are sufficient funds held by the Company to pay the liquidator's fees (estimated to be £6,000). The Council is not expected to have to make any payments in relation to the liquidation.

## **9. Risks and Uncertainties**

Due diligence work carried out during the ending of the RBT partnership has minimised risks associated with the completion of the partnership and liquidation of the Company. There are no known significant risks associated with liquidating the Company.

## **10. Policy and Performance Agenda Implications**

The liquidation of the RBT Company is the final step in ending the Council's partnership with BT. The re-integration of former RBT services back into the Council will facilitate more direct decision making by the Council in relation to its service development and delivery.

## **11. Background Papers and Consultation**

Cabinet Report, 8 June 2011  
RBT Company documentation  
RBT Partnership documentation

### **Contact Names:**

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