

**MINUTES OF A MEETING OF THE  
SPECIAL COUNCIL EXECUTIVE COMMITTEE  
HELD ON THURSDAY 28 MARCH 2013 FROM 8.40PM TO 8.55PM**

*Present: UllaKarin Clark (Vice Chairman), Prue Bray, David Lee, Anthony Pollock and Rob Stanton*

**PART I**

**19. MINUTES**

The Minutes of the meeting of the Committee held on 31 January 2013 were confirmed as a correct record and signed by the Vice Chairman.

**20. APOLOGIES**

An apology for absence was submitted from Bob Wyatt.

**21. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**22. COUNCIL OWNED COMPANIES BUSINESS – PURCHASE OF OPTALIS LTD SHARES**

The Committee considered a report setting out a request from the Executive that the Council authorise the purchase of £50,000 Redeemable Preference Shares from Optalis Ltd. It was noted that under paragraph 4.1.3 (r) of the Council's Constitution the power to sell or purchase shares was reserved to the Council.

David Lee commented that the reason for the purchase of the shares was that in common with many company start-ups, Optalis Ltd had incurred a loss in its first year of trading. Despite a profit in year 2 of £45,000, the company was due to record a deficit on its balance sheet of £39,000. In order to assist in the objective of Optalis selling its services and to improve its credit rating, the issuing of redeemable preference shares was considered to be appropriate. These could be bought back or taken back at any time in the future if felt necessary.

Prue Bray stated that she could not support the recommendation. She commented that most other companies were in the position of having to sink or swim on their own merits whilst the proposal was in her view to bail the company out. Whilst she understood the rationale behind the proposal her view was that the assistance given by the Council to Optalis Ltd would be easily apparent to anyone undertaking a check of the company and therefore not affect their view of its financial position. She also expressed concern about whether the targets within the Optalis business plan were being achieved and that the proposal to purchase the shares had been brought to a Special Council Executive Committee when there had been a full Council meeting on 21 March 2013. In her view the need for a Council decision could have been foreseen and represented poor forward planning.

David Lee responded that Optalis Ltd had been established with share capital of £1. It was considered that the company had been operating effectively and would be successful in attracting future business contracts. He commented that he felt that there had been strong forward planning.

Anthony Pollock commented that although the Council it could have established Optalis with more than £1 of share capital it had decided not to at the time. However, this did not make it inappropriate to inject further share capital. The need to make a decision now was predicated by the end of the company's financial year and for reasons of timing it had been possible to bring the matter to Full Council.

**RESOLVED:** That the purchase of £50,000 Redeemable Preference Shares from Optalis Ltd be approved.

(Note: Prue Bray wished to be recorded as voting against the recommendation)

*These are the Minutes of a meeting of the Special Council Executive Committee*

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