

COUNCIL - 10th April 2014

RECOMMENDATIONS OF THE EXECUTIVE AND THE OVERVIEW AND SCRUTINY COMMITTEE

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27th Feb
2014
Executive
Minute
115/410-2

DEVELOPMENT OF THE COURT LODGE RESIDENTIAL SITE

The Executive Member for Property and Regeneration, Councillor Mrs N.J. Bramhall informed the Executive of proposals to develop the Council's land at Court Lodge, Horley for residential purposes (18 two and three bedroom houses). This proposal also took account of the growing demand within the Borough for housing and the Core Strategy's aim to achieve 460 homes being built in the Borough each year.

The site was part of a package that had facilitated the development of the Horley Leisure Centre and had been retained by the Council with the intention of developing it for market housing.

The Executive Member indicated that full consideration had been given to whether to sell the site with planning permission or to take considered risks to develop the site for sale as market housing, particularly in the light of recent economic improvements.

Development of the site as private housing would allow the Council to contribute directly towards the Core Strategy housing targets, whilst also ensuring that income was generated from the Horley Infrastructure Tariff for investment directly into infrastructure that benefit the local community.

The Executive Member emphasised that comprehensive investigations had been undertaken into the viability of the development including (strength of the housing market; construction costs and ground condition surveys) and the results had confirmed that the proposals were robust. The financial appraisals that had been undertaken also confirmed that the Council developing the site itself would provide a greater financial return than a land sale.

Interim project progress updates would undertaken as part of the key milestones for the project which would allow appraisals to be re checked to ensure that targets continued to be met. In particular a key stage sign off would be the receipt of tenders for the construction which had attracted considerable developer interest.

The Executive noted, in response to Member questions, that this development was linked to one by Raven Housing Trust who would be undertaking a shared equity housing development on a different

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part of the site, which incorporated affordable housing.

RECOMMENDED that the Capital Programme be revised to provide the funding for the Court Lodge residential development.

RESOLVED that:

(i) the development of Court Lodge site (as shown in Annex 1 of the report) for 18 two and three bedroom houses be approved, and once complete, for the houses to be privately sold as market housing;

(ii) the Deputy Chief Executive (Designate) be authorised, in consultation with the Executive Member for Property and Regeneration, to make the necessary professional consultancy appointments to commence and complete the construction project, subject to all costs associated with the project not exceeding the budget as set out in the part 2 report to the Executive;

(iii) the Deputy Chief Executive (Designate) be authorised, in consultation with the Executive Member for Property and Regeneration, to enter into a binding letter of planning obligations, in lieu of a S106 agreement, by the Property department to Planning committing to meet the various planning obligations prescribed by the planning permission;

(iv) following a competitive tendering exercise, complying with the Council's procurement requirements, the Deputy Chief Executive (Designate) be authorised, in consultation with the Executive Member for Property and Regeneration, to enter into a construction contract with the successful contractor to complete the development subject to the tendered construction cost not exceeding the budget as detailed in the part 2 report to the Executive; and

(v) the Deputy Chief Executive (Designate) be authorised, in consultation with the Portfolio Holder for Property and Regeneration, to agree the plots sale scheme and individual transfer terms and subsequently enter into individual contracts for the sale of the constructed properties subject to overall sale values being within the values as set out in the part 2 report to the Executive.

Reasons for recommendation and decision:

To add new housing to the Borough's housing stock; provide the greatest capital receipt or revenue income for the Council for this land holding and to maximise the Council's assets by taking considered development risks.

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Alternative options:

- (a) Sell the land to a Registered Provider for shared ownership affordable housing; or**
- (b) Re-market the site for disposal with the benefit of full planning permission and site surveys.**

5th March
2014 O&S
Committee
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41/414

OVERVIEW AND SCRUTINY COMMITTEE: ANNUAL REPORT 2013/14

Councillor B.A. Stead presented his Annual Report on the activities of the Committee during 2013/14. It was noted that the report had been brought forward due to the crime and disorder items at the final meeting of the Municipal Year, however, it still reported on all of the Committee's activities.

RECOMMENDED that the Committee's Annual Report for 2013/14 be noted.

20th March
2014
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126/450-2

CONSTITUTION REVIEW

The Council adopted the current version of the Constitution in 2011. Since then a number of legislative changes had been introduced that required the Constitution to be amended. In order to ensure the Constitution continued to support good governance and efficient and effective decision making processes, the opportunity had been taken to carry out a full review of the Constitution to implement improvements that had been suggested as a result of existing practices (with the exception of the Financial and the Contract Procedure Rules and the Members Code of Conduct which would follow a separate review process).

The proposed changes to the Constitution had been published on the Council's website and in the eMembers Room; placed in the Members Room (both track changed and 'clean' versions) to provide Members with an opportunity to comment on the proposed changes. A number of minor comments had been received from Members and incorporated into the draft Constitution.

An Addendum was tabled at the meeting that incorporated further proposed changes that had been received since the publication of the agenda in relation to the Scheme of Delegation (Corporate Plan Delivery Fund); Policy Framework and Budget Procedure Rules (Virements) and Officer Employment Procedure Rules (Responsibility for Functions).

RECOMMENDED that the following revised chapters of the

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Constitution, circulated separately to the report, be adopted with effect from 1 May 2014, subject to the amendments listed below:

- **Part 1 – Summary and Explanation**
- **Part 2 – Articles of the Constitution**
- **Part 3 – Responsibility for Functions**

In relation to paragraph 2.24 of the Officer Scheme of Delegation to insert into the consultation column:

“Leader of the Council and Executive Member for Finance”

- **Part 4 – Rules of Procedure**
 - **Access to Information**
 - **Council**
 - **Executive**
 - **Committee and Sub-Committee**
 - **Overview & Scrutiny**
 - **Policy Framework & Budget**

In relation to paragraph 5 (Virements) insert:

“Virements across service budget areas should comply with the requirements of Annex 3 of the Financial Procedure Rules (Scheme for Amendments to the Revenue Budget)”

to replace the existing words:

“However, the Leader shall be entitled to vire across service budget areas up to a maximum of £250,000 per request. Beyond that limit, approval of the full Council (see Annex 3 (Scheme for Amendment of the Revenue Budget) in the Financial Procedure Rules for further details).”

- **Officer Employment**

In relation to Annex 1 Responsibility for Functions, change the footnote to the Annex by replacing the word ‘may’ with ‘will’ so that it reads:

“Where appropriate the relevant Member of the Executive will be informally consulted about the recruitment of any Management Team Manager.”

- **Part 5 – Codes and Protocols**
 - **Member / Officer Protocol**
 - **Protocols for Working Groups and Task Groups**

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Reasons for decision: To ensure that the Constitution of the Council reflects the latest legislative framework and provides the Council with legal and effective decision making processes.

Alternative options: To defer the decision and request further work be undertaken on any aspect of the proposed amendments. This would delay the adoption of a revised Constitution.

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128/453-4

ADOPTION OF THE 2014/15 TREASURY MANAGEMENT STRATEGY

The Executive received a report on the adoption of a Treasury Management Strategy for 2014/15.

The report set out relevant statutory powers, issues (objectives, the current treasury position, matters for consideration and prudential indicators) legal, financial and equalities implications, risk management and other considerations, consultation undertaken and policy framework factors. The report had five Annexes:

- An Investment Strategy
- A Borrowing Strategy
- A Cash Management Strategy
- Risk Management Assessment
- Economic Update 2014/15

It was noted that the draft Strategy had been considered by the Executive in January and reviewed as part of the consultation by the Treasury Management Portfolio Holder Panel and by the Overview and Scrutiny Committee.

The Executive was informed that there was one change proposed to the Investment Strategy relating to the length of time money would be loaned to other Local Authorities. The proposal was to increase this from one year to a maximum of three years. The total amount invested with Local Authorities would also be limited to £10 million - or a maximum of 20% of the total portfolio - whichever was the lower. This would maintain the overriding focus of counterparty security and should assist the Council in achieving the best return on its investments.

The Borrowing Strategy and the Cash Management Strategy both remained unchanged.

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To comply with the Code of Practice on Treasury Management the Council has to approve annually prudential indicators and a Treasury Management Strategy that reflected the Council's expected operations in this area for the 2014/15 financial year.

RECOMMENDED that the Treasury Management Strategy 2014/15 be approved.

Reasons for decision: To adopt a current Treasury Management Strategy for the 2014/15 period.

Alternative options:

- (i) **to not support the contents of this report.**
- (ii) **to defer the report and ask Officers to provide more information/clarification on any specific points.**

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**OVERVIEW AND SCRUTINY COMMITTEE WORK
PROGRAMME: 2014/15**

A report was submitted with the proposed 2014/15 work programme for the Overview and Scrutiny Committee. The report set out relevant statutory powers, information on the work programme and how it had been prepared, resource, legal and equalities implications and consultation undertaken. The draft work programme was appended to the report.

The Executive noted the good work undertaken by the Committee and suggested that an article be prepared for a future edition of the Borough News illustrating the work of the Committee.

RECOMMENDED that the Overview and Scrutiny Committee work programme for 2014/15 be adopted.

Reasons for decision: To agree a work programme for the Overview and Scrutiny Committee for the 2014/15 Municipal Year.

Alternative options: None.