

## COUNCIL – 14<sup>th</sup> APRIL 2016

### RECOMMENDATIONS OF THE EXECUTIVE AND OFFICER KEY DECISIONS

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Page No.**                    **ACQUISITION OF THE LONG LEASEHOLD INTEREST OF UNIT 1  
PITWOOD PARK, WATERFIELD, TADWORTH, KT20 5HQ**

Officer Key  
Decision  
15<sup>th</sup> February  
2016

**RECOMMENDATION:**

**That funding is made available in the Capital Programme for the acquisition, subject to full Council approval.**

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**RESOLVED** that the Head of Property be authorised, in consultation with the Leader, Deputy Leader, Portfolio Holders for Property and Finance to acquire the long leasehold interest in the property for the purchase price as set out in the exempt information in part 2 of the agenda.

**Reasons for decision:**

The Council already owns the freehold of the site and has the opportunity to acquire the long leasehold interest. The strategic reasons for the acquisition were set out in the exempt information in Part 2 of the agenda.

**Alternative options:**

The following alternative option was considered and rejected:

Take no action to secure the leasehold interest and continue to receive the ground rent income of £60,000 per annum.

**Urgency Reasons for not providing 28 Days Notice of a Key Decision**

The reasons for urgency in this case were that the Council risked losing the opportunity to purchase the leasehold interest if it did not make a decision by Monday 15<sup>th</sup> February 2016 at the latest.

In the circumstances the Officer Key Decision was proposed to consider this matter urgently so that consideration could be given to the proposed purchase by the deadline of 15 February 2016.

A delay of this matter to include the full 28 Day Notice period would not allow the purchase timetable to be adhered to and the opportunity would be lost.

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**TREASURY MANAGEMENT STRATEGY 2016/17**

Councillor G.J. Knight, Executive Member for Finance reported on the current position in relation to the adoption of the proposed Treasury Management Strategy for 2016/17.

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 four Annexes:

- An Investment Strategy
- A Borrowing Strategy
- A Cash Management Strategy
- Risk Management Assessment

It was noted that the draft Strategy had been considered by the Executive in January 2016 and reviewed as part of the consultation by the Treasury Management Portfolio Holder Panel and by the Overview and Scrutiny Committee. As a result a wider variety of vehicles will be examined to increase returns on short-term, cash flow balances.

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 2016/17 financial year.

**RECOMMENDED that the Treasury Management Strategy 2016/17 be approved.**

**Reasons for decision:** To adopt a current Treasury Management Strategy for the 2016/17 period.

**Alternative options:** To not support the contents of this report or to defer it and ask Officers to provide more information and/or clarification on any specific points.

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**APPROVAL TO TENDER AND BUILD A MIXED USE  
DEVELOPMENT ON PART OF THE TOWN HALL SITE**

The Executive Member for Property and Regeneration, Councillor Mrs N.J. Bramhall, introduced the report referring to the Council owned Town Hall site and the Council's strategy to identify opportunities to develop its sites and assets to maximise revenue income and/or capital receipts.

The Council's agents had highlighted that they had identified a national retailer, with a specific demand in for a retail offer in Reigate, that currently could not be fulfilled due to a lack of suitable units within the town.

In line with the Council's key principle of maximising its assets investigations had been carried about the possible use of the Town Hall site (which occupied a prime position within the town). This had concluded that a purpose built development could be delivered to meet the retailer's requirements, which combined with 23 residential units, made the development viable and could be accomplished without significantly affecting Council operations.

The Executive considered the outline proposals of a mixed use development that, which if granted planning permission, would provide new retail provision within the town, improved service provision to local residents, workers and visitors, whilst allowing the Council to optimise use of its property assets.

The anticipated additional revenue from the proposed mixed use development would help to compensate for the reduction in Central Government funding for Local Authorities and would assist the Council's desire to continue to deliver and maintain the level of services its residents currently enjoy.

Comprehensive investigations had been undertaken into the viability of the development including:

- Valuation advice from Savills residential agents and the Council's retained commercial agents;
- Quantity Surveying advice on the construction cost for the scheme; and
- Intrusive investigations into the ground conditions on the site.

The results of those investigations revealed that the Council's proposals were robust and that the risk was considered to be small and outweighed by the additional capital receipt and revenue income anticipated.

Councillor Mrs N.J. Bramhall and the Leader of the Council, Councillor V.W. Broad responded to Member questions on the following points:

- Compatibility of the development with the Grade 2 listed status of the Town Hall;
- Consideration of local retailers being attracted to the development;
- Alternative options for the use of the site such as a turning area for buses as part of a Park and Ride scheme;

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- the importance of ensuring a compatible design for the site;
- Consultation arrangements with residents and existing town centre retailers;
- Consideration of integrating the proposals with the existing retail area and improvements to the parking offer available;
- Research and the evidence base for the proposed development;
- Parking and access issues; and
- Impact assessment of the proposed development.

**RECOMMENDED that Full Council make an allocation in the Capital Programme to fund this development based upon the costs set out in in the exempt information at Part 2 of the Executive's Agenda.**

**RESOLVED that:**

(i) the Head of Property Services be authorised, in consultation with the Executive Member for Property & Regeneration, to make the necessary professional consultancy appointments to commence and complete a mixed use construction project, comprising 23 residential units and a c. 857 sq m retail unit subject to all costs associated with the project not exceeding the budget (set out in the exempt information at Part 2 of the Executive's Agenda);

(ii) the Head of Property Services be authorised, in consultation with the Executive Member for Property & Regeneration, to make a planning application for approval to build the mixed use development and to enter into any required planning obligations pursuant to any planning permission granted where it is possible to do so;

(iii) following a competitive tendering exercise, the Head of Property Services be authorised, in consultation with the Executive Member for Property & Regeneration, to enter into a construction contract with the successful contractor to complete the mixed use development, subject to the project costs not exceeding the budget (detailed in the exempt information at Part 2 of the Executive's Agenda);

(iv) the Head of Property Services be authorised, in consultation with the Executive Member for Property & Regeneration, to conclude negotiations and enter into an Agreement for Lease and Lease with a National retailer based upon terms set out in Annex 1 in the exempt information at Part 2 of the Executive's Agenda; and

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(v) the Head of Property Services be authorised, in consultation with the Executive Member for Property and Regeneration, to agree the residential sales and individual transfer terms and subsequently enter into individual contracts for the sale of the constructed properties as private market residential dwellings. Subject to overall sale values being within the range set out in in the exempt information at Part 2 of the Executive's Agenda.

**Reasons for decision:**

To progress and maximise the development of Council owned sites as income producing assets and generating capital receipts and/or revenue income. To provide a new purpose built retail facility in the Town Centre by optimising the use of the Town Hall site.

**Alternative options:**

Proceed with the development of a retail store option only with a pre let agreement to a National Retailer; or

Retain the car parking on site in its existing configuration and create additional car parking spaces where the demolished South Annex used to stand and let all surplus spaces for contract parking.

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**OVERVIEW AND SCRUTINY COMMITTEE WORK PROGRAMME  
2016/17**

A report was submitted with the proposed 2016/17 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 Leader of the Council, Councillor V.W. Broad informed the Executive that he and the Chief Executive had been consulted during the preparation of the work programme and that it delivered a good range of activities that were both achievable and adding value to the work of the Council.

The Committee had continued to recognise the increased pressures on the Council and had maintained a streamlined approach to its activities to ensure that its work programme reflected the Council's priorities.

**RECOMMENDED that the Overview and Scrutiny Committee work programme for 2016/17 be adopted.**

**Reasons for decision:** To agree a work programme for the Overview and Scrutiny Committee for the 2016/17 Municipal Year.

**Alternative options:** To not adopt the Overview and Scrutiny Committee work programme for 2015/16.

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REGULATORY COMMITTEE**

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The Leader of the Council, Councillor V.W. Broad reminded the Executive that in setting the Schedule of Meetings for 2016/17, Council had agreed the proposal of combining the existing Licensing and Regulatory Committees into one overarching committee dealing with all licensing matters.

The report presented to the Executive brought forward the necessary changes to the Constitution to support the establishment of this new committee structure for the 2016/17 Municipal Year and beyond.

The report sets out the proposed composition and terms of reference for the new Committee so that it could determine its own operational arrangements, including the continued arrangement of sub-committees which was known to work well.

Combining these Committees provided the opportunity to streamline the Council's meetings and improve the expertise and governance for managing this function.

**RECOMMENDED that:**

- (i) the terms of reference for the Licensing and Regulatory Committee (and Sub Committees) as set out in Annex 1 of the Executive's report, be approved, to come into effect on 27 May 2016;**
- (ii) other consequential changes to the Constitution, as set out in Annex 1 of the Executive's report, be approved, to come into effect on 27 May 2016;**
- (iii) the Licensing and Regulatory Committee be authorised to establish and appoint members to sub committees and to determine how it manages its business;**
- (iv) the Monitoring Officer be authorised to amend the Constitution accordingly; and**
- (v) all Councillors appointed to the Licensing and Regulatory Committee attend mandatory training at the start of every Municipal Year, before serving on any sub committee.**

**Reasons for decision:**

To improve and strengthen the governance of the Regulatory and Licensing functions and provide a more efficient approach that allowed Members sitting on a newly created committee to develop an expertise across all areas of licensing.

**Alternative option:**

Request further work be undertaken to the proposed changes.

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**MOTION FROM COUNCIL: CLIMATE LOCAL**

Councillor V.W. Broad, Leader of the Council indicated that at the Council meeting on 17 December 2015 it was resolved to refer a motion on signing up to the Local Government Association's Climate Local initiative to the Executive for consideration.

A report was presented that set out the context within which the Motion was proposed, following the recent Paris Climate Accord, and provided background information regarding the Climate Local initiative, including the costs and benefits to the Council.

The report set out the Council's existing approach to supporting energy efficiency and carbon reduction and recommended that the continuation of this approach, without the need to commit to a further initiative which would require significant resources.

Councillor J.C.S. Essex, as the proposer of the original Motion, at the Leader's invitation spoke in support of the Motion.

Following debate it was

**RECOMMENDED that:**

**(i) the Council not commit to the Local Government Association's Climate Local initiative at this time;**

**(ii) the Council's existing approach to support carbon reduction / energy efficiency within its own estate through mainstream services, and the promotion of energy efficiency schemes to local residents and businesses within a Surreywide partnership, be noted; and**

**(iii) further consideration be given to this issue under the review of the 5 Year Plan, currently scheduled for 2017.**

**Reasons for decision:**

The Council has previously delivered significant activities in this area, and continues to support countywide activities, as well as deliver improvements to our own estate and promote opportunities to our local residents and businesses through mainstream activities.

Committing to a further initiative would require significant resources and is not consistent with our 5 Year Plan priorities.

**Alternative options:**

Sign up to Climate Local, and commence work to develop a Climate Local Action Plan or to take no action in relation to this issue.