



Statement of decisions made at a meeting of the **Executive**

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Final date for Call-in under Overview & Scrutiny Procedure Rule 15: **10 March 2020**

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ITEM

3. **DECLARATIONS OF INTEREST**

There were none.

4. **MOTION FROM COUNCIL: FAIRTRADE**

RESOLVED that:

1. The Council supports Fairtrade and welcomes initiatives by local communities in the borough to encourage the use of Fairtrade goods, including by seeking to achieve Fairtrade Town status.
2. The Council offers Fairtrade refreshment options within Council offices where possible, and explores opportunities to offer such products at other Council venues.
3. The Head of Legal and Governance be requested – in consultation with the relevant Executive member – to consider enhancing references to social value within the Council's procurement documentation.

Reason for decision:

To confirm the Council's support for Fairtrade and ethical sourcing, and its support for local communities pursuing local initiatives to encourage the use of Fairtrade products.

Alternative options:

Support the motion as presented to Full Council in October 2019. This option is not

recommended, as (i) it goes above and beyond what the Council is able to do; and (ii) the resources required to fully implement the motion would be considerable and require staff or funding to be diverted from the delivery of agreed corporate priorities.

Support the recommendations set out in this report. This option is recommended as it allows the Council to record its support for Fairtrade and commit to use Fairtrade products where possible. In this way, local communities interested in pursuing Fairtrade Town status can be reassured of the Council's backing.

Do not support a motion in respect of Fairtrade. This option is not recommended. The Council has a responsibility to support and promote sustainable development and consider social value, and whilst the amended motion will have some limited cost implications these are considered acceptable.

Lead officer:

Director of Place

5. AGREE A CHANGE OF TENURE MIX AND ENTERING INTO A BUILD CONTRACT FOR THE PITWOOD PARK DEVELOPMENT

RESOLVED: that

1. The updated forecast expenditure and income for the scheme be accepted and approved.
2. The Head of Housing be authorised in consultation with the:
 - Head of Finance
 - Head of Legal and Governance
 - Executive Member for Housing & Benefits
 - Executive Member for Finance
 - Executive Member for Investments and Companies
 - a) To enter into a contract to build with the recommended contractor.
 - b) To appoint and enter into contracts (as required) with any remaining consultants or suppliers to allow the contract to progress to completion including unit sales.
 - c) Enter into an agreement with the chosen Housing Association for the transferral of affordable housing units.
 - d) To amend the tenure mix at a later stage (as required) with up to a maximum of 100% of the scheme being retained by the Council with a condition that the scheme expenditure remains within the approved capital budget of £6,448,000 as detailed within the exempt report in Part 2 of the agenda.
3. The Head of Housing be authorised in consultation with the:
 - Head of Legal & Governance
 - Executive Member for Housing & Benefits
 - Executive Member for Finance
 - Executive Member for Investment and Companies
 - a) To enter into any Easements, Licences, Covenants or Wayleaves as required on the development.
 - b) Complete Party Wall agreements as required on the development.
 - c) Authorise the sale of new homes on this development

Reason for decision:

In April 2018 the Executive approved a report seeking permission to proceed with a mixed tenure development of 25 houses and flats together with associated external works at Pitwood Park. The report provided information on the projected financial return to be expected from the sale of the new homes. Starter Homes secondary legislation from Central Government has not been issued and, as a result, a revised tenure mix is required on this project. It is also necessary and prudent to reflect a revised financial position as there were a number of assumptions within the previous appraisal which have required updating. The recommended approvals are now required to facilitate the delivery of this project. The delivery of the project meets the Corporate priority of making the Borough a great place to work and live. It also supports the Executive's commitment to deliver housing that meets the needs of local people, as 11 of the dwellings on this site are proposed to be sold via a Housing Association partner on a shared ownership basis.

Alternative options:

Option 1 (Recommended Option)- Proceed with the development based on the sale of 11 x shared ownership units to a Housing Association and to sell 14 x units on the open market, approve the recommendations listed, and agree the revised baseline position including the ability to amend the tenure mix further if this is seen as beneficial to the Council.

Option 2 – Proceed with the development based on a different shared ownership/sale ratio from Option 1. This is not the recommended option because the risk profile and costs are both higher for the Council.

Option 3- To not proceed with the development. This is not the recommended option as the original building on this site has been demolished and the site is vacant. Not proceeding would detract from our regeneration aims and may also lead to the Council incurring reputational damage with the public, as well from contractors who have tendered for this development opportunity.

Lead officer:

Director of People

6. AGREE TO ADDITIONAL FUNDING AND SEEK DELEGATED AUTHORITY TO PROGRESS THE PLANNING AND BUILD STAGES OF THE LEE STREET DEVELOPMENT

1. The updated capital scheme forecast including the allocation of a further £234,000 Section 106 funding be accepted and approved.
2. The Head of Housing be authorised in consultation with the:
 - Head of Finance
 - Head of Legal and Governance
 - Executive Member for Housing & Benefits
 - Executive Member for Finance
 - Executive Member for Investment and Companies
 - a) To enter into a contract to build with the recommended contractor (further to a successful outcome at Planning Committee and a compliant tender process), subject to a planning consent being granted and costs falling within the approved capital budget detailed within the exempt report in Part 2 of the agenda.
 - b) To appoint and enter into contracts (as required) with any remaining consultants or suppliers to allow the contract to progress to completion.
3. The Head of Housing be authorised in consultation with the:
 - Head of Legal & Governance
 - Executive Member for Housing & Benefits
 - Executive Member for Finance
 - Executive Member for Investment and Companies
 - a) To enter any Easements, Licences, Covenants or Wayleaves relating to the development.
 - b) Complete Party Wall agreements as required on the development
 - c) Authorise new leases granted or entered into by the Council on this development.

Reason for decision:

The scheme presented to Executive in June 2018 was deferred at Planning Committee in October 2019. Further dialogue between Members and Officers highlighted that an increase to unit sizes to meet National Space Standards, and a more traditional construction approach would be favoured.

These amendments have been made and agreement is now sought from Executive to approve the updated scheme budget and a further Section 106 funding allocation of £234,000 in order to see the project through to practical completion and proceed with the development process, subject to planning permission being achieved on the revised design.

Alternative options:

Option 1 (Recommended Option)- Proceed with the development based on the revised traditional brick and block approach, and approve the updated budget requirement and the further Section 106 funding allocation as outlined in the exempt report in Part 2 of the agenda.

Option 2- Revert to the previous position of delivering the units via a SIPS system. This is not a recommended option as re-designing the scheme to meet National Space Standards in this built form will incur further architectural fees, and the Council will incur a further time delay which may lead to additional inflationary costs.

Option 3- Not proceed with the development. This is not a recommended option as the site is sitting vacant and can be better utilised for housing purposes. Not proceeding may incur reputational damage with the public as well given that this site has been promoted historically.

Lead officer:
Director of People

7. AGREE A REVISED BUDGETARY BASELINE POSITION & ENTERING INTO A BUILD CONTRACT FOR THE CROMWELL ROAD DEVELOPMENT

RESOLVED: that

1. The updated capital budget forecast be accepted and approved.
2. The Head of Housing be authorised in consultation with the:
 - Head of Finance
 - Head of Legal & Governance
 - Executive Member for Housing & Benefits
 - Executive Member for Finance; and
 - Executive Member for Investment and Companies

To enter into a contract to build with the recommended contractor.

3. To appoint and enter into contracts (as required) with any remaining consultants or suppliers to allow the contract to progress to completion including unit sales.
4. To amend the tenure mix at a later stage (as required) with up to a maximum of 100% of the scheme being retained by the Council with a condition that the scheme expenditure remains within the approved capital budget of £10,107,300 as detailed within the exempt report in Part 2 of the agenda.
5. The Head of Housing be authorised in consultation with the:
 - Head of Legal & Governance
 - Executive Member for Housing & Benefits
 - Executive Member for Finance; and
 - Executive Member for Investment and Companies
 - a) To enter any Easements, Licences, Covenants or Wayleaves as required on the development.
 - b) To Complete Party Wall agreements are required on the development.
 - c) Authorise new leases granted or entered into by the Council on the development.
 - d) Authorise the sale of new homes on the development.

Reason for decision:

The baseline financial forecast for the scheme, as presented to the Executive in April 2018 is no longer considered to be an accurate forecast of delivery costs. An exercise to rebaseline the project has been undertaken and a summary of the position is within the exempt report in Part 2 of the agenda.

Should the revised baseline be considered acceptable the recommended approvals are required to facilitate the delivering of this project.

Delivery of this project meets the Corporate priority of making the Borough a great place to work and live. It also supports the Executive's commitment to deliver housing that meets the needs of local people, as half of the dwellings on this site are proposed to be sold on a shared equity arrangement.

Alternative options:

Option 1 (Recommended Option) - Proceed with the development based on the sale of 50% of the units on a shared equity basis and accept a lower profit level than reported to Executive in 2018, with the ability to amend the tenure mix at a later stage if considered beneficial.

Option 2- Take a purely commercial approach and sell more units for market sale to generate an increased profit margin. This is not a recommended option as the Council is in the position to use its property activities not only to generate profit but also to contribute to wider social and environmental objectives.

Option 3- Not proceed with the development. This is not a recommended option as the original building has been demolished and the site is sitting vacant. Not proceeding may lead to reputational damage with the public as well as the contractors who have tendered for this development opportunity.

Lead officer:

Director of People

8. OVERVIEW AND SCRUTINY COMMITTEE: PROPOSED WORK PROGRAMME 2020/21

RECOMMENDED: that the Overview and Scrutiny Work Programme for 2020/21 be approved by Council.

Reason for decision:

To agree a work programme for the Overview and Scrutiny Committee for the 2020/21 Municipal Year.

Alternative options:

That the Executive support the proposed work programme as set out **or** that the Executive request that the Overview and Scrutiny Committee reconsiders the work programme.

Lead officer:

Head of Legal and Governance