



# Statement of decisions made at a meeting of the **Commercial Ventures Executive Sub-Committee**

Meeting date: **2 July 2020**

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Final date for Call-in under Overview & Scrutiny Procedure Rule 15: 13 July 2020

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## ITEM

### 1. **ELECTION OF CHAIRMAN**

**RESOLVED** that Councillor T Archer be appointed Chair of the Commercial Ventures Executive Sub-Committee for the Municipal Year 2020/21.

### 2. **ELECTION OF VICE-CHAIR**

**RESOLVED** that Councillor V Lewanski be appointed Vice-Chair of the Commercial Ventures Executive Sub-Committee for the Municipal Year 2020/21.

### 5. **MINUTES OF THE PREVIOUS MEETING**

**RESOLVED** that the minutes of the meeting held on 11 May 2020 be approved as a correct record and would be signed as soon as reasonably practical.

### 6. **MARKETFIELD WAY UPDATE JULY 2020**

**RESOLVED** that:

- i) the significant progress that has been made to conclude stage 3 of the project since the last report to Executive in December 2019, was noted.
- ii) the Director of Place Services, in consultation with the Leader, Deputy Leader and Executive Member for Place and Economic Prosperity, be authorised to now enter

into:

- a building contract with Vinci Construction UK Ltd in accordance with the contract sum and terms provided in Part 2 of this agenda;
  - a deed of variation to a pre-sale agreement with Delph in accordance with the terms provided in Part 2 of this agenda;
- iii) that the Director of Place Services, in consultation with the Leader, Deputy Leader and Executive Member for Place and Economic Prosperity, be authorised to make any necessary changes to the terms or contract sums provided that they are within the financial parameters in part 2 of this agenda, before entering into the building contract and deed of variation;
- iv) following the noting of exempt information in Part 2 of this report and (ii) above, the Head of Place Delivery, now progresses stage 4 of the project, including the implementation and construction of the development, in accordance with the exempt information provided in Part 2 of this agenda.
- v) that delegations previously authorised to the Head of Property in all previous reports to Executive, in relation to Marketfield Way, are now made by the Head of Place Delivery.

**Reason for decision:**

The Council had continued to make significant progress to bring forward Marketfield Way and was now in a position to enter into a building contract and a variation to a pre-sale agreement in accordance with the terms set out in Part 2 of this report.

**Alternative options:**

- i) To complete the enabling works only and delay entering into a building contract until there is improved economy certainty. This was not the recommended option as it could effectively mothball the site for an undetermined period of time. This could result in a substantial delay in bringing forward the development and would lead to increased construction costs. It would also delay bringing forward a large and vacant site at the heart of the town centre, which would not bring confidence in Redhill as a place to invest and would lead to a loss of grant funding.
- ii) To complete the enabling works and dispose of the site which would result in a capital receipt being obtained for the site. This was not the recommended option as it would result in substantial delays in bringing the development forward as it was expected to take some time to secure an investor, who may wish to make substantial changes to the development. Disposing of interests in the site was likely to reduce the anticipated revenue income and potential capital receipt to the Council as set out in the exempt report in Part 2 of the agenda and limit the control of the Council in securing regeneration benefits for the town. The ability of the Council to help regenerate Redhill would also be lost. PostCovid-19, the opportunities to dispose of a mixed retail site were considered to be limited.

**Lead officer:**

Commercial & Investment Director