

**BOROUGH OF REIGATE AND BANSTEAD**  
**COMMERCIAL VENTURES EXECUTIVE SUB-COMMITTEE**

Minutes of a meeting of the Commercial Ventures Executive Sub-Committee held at the Remote - Virtual Meeting on 15 October 2020 at 6.30 pm.

Present: Councillors T. Archer (Chairman), T. Schofield, M. A. Brunt (Leader) and V. H. Lewanski (Vice-Chair).

Also present: Councillors N. D. Harrison, J. P. King, S. Sinden and S. T. Walsh.

**22. MINUTES OF THE PREVIOUS MEETING**

**RESOLVED** to approve the minutes of the meeting held on 17 September 2020 as a correct record and the minutes would be signed as soon as reasonably practical.

**23. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

**24. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**25. PROJECT BASEBALL - 15 OCTOBER 2020**

Councillor T Archer, Executive Member for Investment and Companies, introduced the Project Baseball – 15 October 2020 report seeking authority to proceed with the next planned activities associated with Project Baseball. It was considered that Project Baseball would support the delivery of the Council's Corporate Plan objectives through its future prospective use and offers the potential to generate income for the Council.

The Commercial Ventures Executive Sub-Committee were reminded to be mindful that the opportunity was not without risk and note that all the potential benefits may not have been identified.

It was noted that full details of the opportunity, the financial and risk implications, and the Council's proposed approach were set out in the exempt Part 2 report.

**Clerk's Note:** *At this point in the meeting, agenda item 4 (Project Baseball – 15 October 2020) was adjourned so that the exempt information, agenda item 6 (Exempt Business) and 7 (Project Baseball – 15 October 2020 – Exempt), could be considered ahead of making a decision.*

*The minutes of the meeting reflect the order of business listed on the published agenda, not the order taken during the meeting.*

On conclusion of agenda items 6 and 7, the Commercial Ventures Executive Sub-Committee returned to agenda item 4 and:

**RESOLVED** that the Director of Commercial & Investment, in consultation with the Head of Legal and Governance, the Head of Finance, the Chair of the Commercial Ventures Executive Sub-Committee and the Head of Place Delivery, be authorised to:

- a) proceed with the next planned activities associated with the identified opportunity, as set out in the Project Baseball – 15 October 2020 – Exempt part 2 report, as a continuation of the project to support the delivery of the Council’s Corporate Plan objectives; and
- b) revise the allocation of funding from the Feasibility Studies (Commercial Ventures) Reserve to support the pursuance and effective administration of the identified opportunity, as set out in the Project Baseball – 15 October 2020 – Exempt, part 2 report.

**Reason for decisions:**

Obtaining authority to proceed with the next proposed activities and the revision of the associated budget to support the identified project would support the Council’s Corporate Plan objectives as set out in the Project Baseball – 15 October 2020 - Exempt report.

**Alternative Options:**

Option 2: Do nothing. This is not the recommended option as it would not support the Corporate Plan objectives.

**26. REDHILL, LEASE ARRANGEMENTS - AUTUMN 2020**

Councillor T Archer, Executive Member for Investment and Companies, introduced the Redhill, Lease Arrangements – Autumn 2020 report seeking authority to transfer the lease of a hotel in London Road, Redhill, from its existing operator to a new operator. Explaining the hotel formed part of Warwick Quadrant and was owned by the Council and leased to Aviva and subsequently leased-back to the Council in 2015 to allow partial redevelopment of the site.

The hotel was leased from the Council in 2017 for 25 years. Following the closure of the hotel during the Covid-19 crisis, the operator entered into a Company Voluntary Arrangement and the Council had received a proposal to transfer the lease to another branded operator and this was considered to represent a better potential to ensure the hotel’s ongoing viability and to retain its contribution to the wellbeing and economic prosperity of Redhill, as well as preserving and improving an income stream that made a significant contribution to the Council’s objective to be financially self-sustaining.

**Clerk’s Note:** *At this point in the meeting, agenda item 5 (Redhill, Lease Arrangement – Autumn 2020) was adjourned so that the exempt information, agenda item 8 (Redhill, Lease Arrangement – Autumn 2020 – Exempt), could be considered ahead of making a decision.*

*The minutes of the meeting reflect the order of business listed on the published agenda, not the order taken during the meeting.*

On conclusion of agenda item 8, the Commercial Ventures Executive Sub-Committee returned to agenda item 5 and:

**RESOLVED** that:

1. the Director of Commercial and Investment, in consultation with the Head of Legal and Governance, the Head of Finance, the Chair of the Commercial Ventures Executive Sub-Committee and the Portfolio Holder for Finance, be authorised to enter into all agreements necessary to transfer the lease of the hotel premises at London Road from Travelodge to a new operator and to enter into an agreement with that new operator as set out in the Part 2, Redhill, Lease Arrangements – Autumn 2020 - Exempt report; and
2. an exemption to the Council's Contract Procedure Rules for the reasons set out in the Part 2, Redhill, Lease Arrangements – Autumn 2020 - Exempt report, be authorised.

**Reason for decision:**

The recommendations were considered to be the best option to ensure the ongoing viability of the hotel and to retain its contribution to the wellbeing and economic prosperity of Redhill, as well as preserving and improving an income stream that makes a significant contribution to the Council's objective to be financially self-sustaining.

**Alternative Options:**

Option 2: To continue with the existing lease to Travelodge. This was not the recommended option as it was considered that this represented a higher risk to the viability of the hotel and therefore of the potential impacts of its closure to the economic prosperity of Redhill and to the Council's income stream.

**27. EXEMPT BUSINESS**

**RESOLVED** that members of the Press and public be excluded from the meeting for the following items of business under Section 100A(4) of the Local Government Act 1972 on the grounds that:

- i) it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act; and
- ii) the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**28. PROJECT BASEBALL - 15 OCTOBER 2020 - EXEMPT**

Councillor T. Archer, Executive Member for Investment and Companies, introduced the exempt information in relation to the Project Baseball – 15 October 2020 – Exempt part 2 report. During the discussion a wide range of issues were considered, including the need to carefully consider the financial and reputational risks of the Project. The Commercial Ventures Executive

Sub-Committee considered the financial model, the impact the Project would have on the Borough and the importance of ecology.

**RESOLVED** that the exempt information in relation to the Project Baseball – 15 October 2020 – Exempt report be noted.

**29. REDHILL, LEASE ARRANGEMENTS - AUTUMN 2020 - EXEMPT**

Councillor T. Archer, Executive Member for Investment and Companies, introduced the exempt information in relation to the Redhill, Lease Arrangement – Exempt part 2 report. A wide range of issues were discussed, including the current occupancy rates at the hotel; the expected rental income stream for 2021 and consequent budget implications; and the impact of an alternative brand at the hotel.

**RESOLVED** that the exempt information regarding Redhill, Lease Arrangements – Autumn 2020 be noted.

**30. ANY OTHER BUSINESS**

None.

The Meeting closed at 7.55 pm