

BOROUGH OF REIGATE AND BANSTEAD

EXECUTIVE

Minutes of a meeting of the Executive held at the New Council Chamber - Town Hall on 18 March 2019 at 7.30 pm.

Present: Councillors M. A. Brunt (Leader), G. J. Knight (Deputy Leader), R. H. Ashford, J. E. Durrant, A. C. J. Horwood, E. Humphreys and T. Schofield.

Also present: Councillors Mrs. R. Absalom, M. S. Blacker, V. W. Broad, J. M. Ellacott, J. C. S. Essex, N. D. Harrison and C. T. H. Whinney.

109. MINUTES

RESOLVED that the Minutes of the Executive meeting held on 21 February 2019 be approved as a correct record and signed.

110. APOLOGIES FOR ABSENCE

Executive Members: Councillor Mrs N. Bramhall and Councillor K. Foreman.

Non-Executive Members: Councillor R.C. Newstead.

111. DECLARATIONS OF INTEREST

None.

112. COMMERCIAL GOVERNANCE REVIEW

Councillor M.A. Brunt, Leader of the Council, invited the Executive to consider a report setting out the findings of the Commercial Governance Review Member Task Group. Councillor Ellacott, Chair of the Task Group, was invited to introduce the report and to outline the approach and key aspects of the review.

The Executive was informed that the review had sought to be forward facing and had identified lessons learned for the future. It was noted that the Task Group had undertaken a thorough review of previous commercial activities, including consultation with relevant Members and Officers, with additional advice from an independent consultant. It was identified that all Members had been updated during the course of the review, and thanks were offered to all those who had contributed to the process.

The Executive was asked to note that:

- The scope of the review was to consider the governance arrangements in relation to all commercial activities that the Council had been involved in, including Pathway for Care; RBBC Limited; Greensand Holdings Limited; Horley Business Park Development LLP.

- The Task Group's methodology had sought an evidence led approach to its work and a series of key questions and lines of enquiry had been used to inform the review.
- The Task Group had undertaken a documentary review of Council/Committee reports and minutes while additional evidence was gathered from the Council's Chief Executive, Section 151 Officer, and the former Leader of the Council.
- Nine meetings / evidence gathering sessions took place between September 2018 and January 2019.

It was highlighted that the outcome of these meeting had informed the design of the proposed commercial governance framework, set out at Appendix D to the report presented, which the Task Group had recommended form the basis for future consideration of potential commercial activities. It was noted the framework comprised a checklist of issues and "golden rules" to be applied whenever the Council proposed to set up a commercial venture.

The Executive was informed that the draft commercial governance framework had been considered by the Overview and Scrutiny Committee in February 2019. RSM, the Council's Internal Auditors, had also offered suggestions on the framework. The Executive was asked to note that comments from the Overview and Scrutiny Committee and the report from the Internal Auditors had been appended to the report presented.

In response to questions, it was highlighted that the framework proposed establishment of a Commercial Ventures Sub Committee. It was noted that this would introduce a streamlined approach to the Council's company governance. The importance of supporting effective scrutiny of commercial activities was also highlighted.

The Leader of the Council thanked the Members of the Task Group and supporting Members and Officers for their work in conducting the review.

RESOLVED that:

- (i) The findings of the Commercial Governance Review Member Task Group be noted.
- (ii) Subject to (iii) and (iv) below, the Commercial Governance Framework be adopted and implemented.
- (iii) The Overview and Scrutiny Committee's request (from its meeting on 14 February 2019) for the Commercial Governance Framework to be incorporated into the Constitution be supported and that this be built into a report to the next meeting of the Executive (18 April 2019) providing full governance arrangements for the dissolution of existing Sub Committees and the establishment of a Commercial Ventures Sub Committee.
- (iv) Once established, the Commercial Ventures Sub Committee, be tasked with considering the suggestions from the Internal Audit Report, set out in Appendix F of the report presented, when implementing the Commercial Governance Framework.

Reason for decision: To set out the findings of a review of the Council's commercial activities and to support the adoption of a good practice Framework and

Checklist to guide future working and ensure lessons from past practice are implemented.

Alternative options: To either adopt or reject the recommendations of the Commercial Governance Task Group.

113. CORPORATE PLAN 2020-2025

Councillor G.J. Knight, Deputy Leader and Executive Member for Housing and Benefits, introduced a report setting out the Council's vision for the period 2020-2025. It was noted that the Corporate Plan formed part of the Council's Policy Framework and that a draft, set out in Annex 1 to the report presented, had been developed for discussion purposes. It was recognised that the content would be re-visited following the local elections in May 2019.

Councillor Knight explained that the existing Corporate Plan, adopted in late 2014, would run until 2020. The Executive was informed that significant progress had been made in delivering against these priorities. However, the context in which the Council operated had continued to change, with new opportunities, challenges and uncertainties.

To ensure Council activities and priorities remained relevant to the borough's residents and businesses it was noted that the revised Corporate Plan had been drafted to take account of the changing national, sub-national and local political, financial, social, environmental and economic landscape. The draft plan had been prepared taking into account a variety of factors, including: performance in delivering the current plan; updated baseline information about the borough's characteristics; the changing policy framework; and view of stakeholders and elected councillors.

Councillor Knight highlighted that the draft plan had been centred on Reigate and Banstead being an ambitious Council and that there were opportunities to make the borough an even better place to live, work, visit and do business.

Councillor Knight explained that the draft plan included objectives about: increasing housing choice for residents and local workers; creating stronger and safer communities; protecting the borough's most vulnerable residents; supporting towns, village centres and the local economy; and providing high quality green spaces and neighbourhood services.

In response to questions about a Motion on Climate Change, considered by Full Council in February 2019, it was explained in response to this debate that the draft Corporate Plan had been updated to include a new cross cutting commitment covering environmental sustainability. This included commitments on reducing waste and emissions, using natural resources more efficiently and reviewing plans in relation to carbon management.

The Deputy Leader and Executive Member for Housing and Benefits concluded by stating that in order to deliver future priorities the Council needed to generate additional funding and operate more efficiently. It was explained that this was why the draft plan had included objectives about financial sustainability and undertaking commercial activities in order to generate additional income.

During the discussion a range of issues were considered, including:

- The resources required to deliver the new plan, including the need to invest to ensure the Council had the right skills to deliver priorities across the plan.
- The importance of the Council's forthcoming Capital Investment Strategy and general investment approach which would support delivery of the Council's objectives.
- Responding to the challenges faced by Surrey County Council.
- The importance of working in partnership and highlighting Horley Town Council and Salfords and Sidlow Parish Council as key partners in delivering the Council's objectives.
- The importance of good communication and implementing effective channel shift.

Councillor Knight confirmed further work would be undertaken, including informal consultation with councillors, before a revised draft was reported back to the Executive. It was also confirmed, as a key component of the Council's Policy Framework, that public consultation would be undertaken on the revised draft and that it would be considered by the Overview and Scrutiny Committee before it was adopted by Full Council.

RESOLVED that:

- (i) The Draft Corporate Plan 2020-2025, set out at Annex 1 to the report presented, be approved for discussion with Council members following the local elections in May 2019, and prior to public consultation in accordance with the Council's Policy Framework Procedure Rules.
- (ii) The Motion presented to Full Council on 8 February 2019 regarding climate change be noted with the following actions agreed:
 - That the Draft Corporate Plan includes a new commitment in relation to environmental sustainability and climate change.
 - That the Council review, and as necessary update, its plans in relation to carbon management and local action on climate change.

Reason for decision: The Corporate Plan forms part of the Council's Policy Framework. The draft plan, set out in the report presented, was developed for discussion purposes and would be re-visited following the borough's all-out elections in May 2019.

Alternative options: To approve the Draft Corporate Plan 2020-2025 for discussion without incorporating any new commitments in relation to environmental sustainability or to not approve the draft Corporate Plan at all and request further work be undertaken before a revised draft is reported back to the Executive.

114. TREASURY MANAGEMENT STRATEGY 2019-20

Councillor T. Schofield, Executive Member for Finance, reported on the current position in relation to the adoption of the proposed Treasury Management Strategy for 2019/20.

The report set out relevant statutory powers, issues (objectives, the current treasury management position, matters for consideration, financial reporting standards and

prudential indicators) legal, financial and equalities implications, risk management and other considerations, consultation undertaken and policy framework factors.

The Treasury Management Strategy 2019/20, set out at Annex 1 to the report presented, consisted of four sections with appendices. Councillor Schofield provided information on each of the following:

- Introduction (Section 1)
- The Capital Prudential Indicators 2019/20 to 2023/24 (Section 2)
- The Borrowing Strategy (Section 3)
- Annual Treasury Investment Strategy (Section 4)
- Appendices

It was noted that each section had been prepared in accordance with the Council's Treasury Management Policy Statement. Councillor Schofield informed the Executive that this had been fully-updated to ensure compliance with changes to the Prudential Code, the Treasury Management Code of Practice and other regulations published during 2017 and 2018. It was highlighted that these changes were necessary to reflect the increasingly complex business models being adopted by local authorities in response to reductions in other funding streams.

The Executive Member for Finance explained that each section contained appropriate Prudential Indicators and highlighted that the Treasury Risk Management Assessment had been incorporated in Section 4, the Annual Treasury Investment Strategy.

The Executive was informed that the draft Treasury Management Strategy had been considered by the Executive in January 2019 and reviewed as part of the consultation by the Treasury Management Panel and the Overview and Scrutiny Committee in February 2019. Councillor Schofield provided an update in relation to changes to the final Treasury Management report, compared to the January draft, and explained that updated tables on counterparty list and minimum criteria per institution had been provided to clearly identify the duration and limits per counterparty.

In response to questions, it was explained that the Treasury Management Strategy 2019/20 would support the Council's forthcoming Capital Investment Strategy and general investment approach, which would in turn support the delivery of the Council's objectives.

RECOMMENDED that the Treasury Management Strategy for 2019/20 be approved.

Reason for decision: To support the adoption of a Treasury Management Strategy for the 2019/20 financial period.

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

115. OUTLINE CAPITAL INVESTMENT STRATEGY 2019/20

Councillor T. Schofield, Executive Member for Finance, submitted a report to outline the Council's approach to capital investment for the next five years.

The Executive was informed that the Outline Capital Investment Strategy, set out in the report presented, formed an important part of the Council's governance arrangements and provided a mechanism by which investment and financing plans could be prioritised. It was explained that this would ensure capital decisions took full account of stewardship, value for money, prudence, sustainability and affordability. The Executive Member for Finance highlighted that the Strategy was intended to be read in combination with the Treasury Management Strategy.

It was noted that the Outline Strategy covered:

- How the Council's investment plans would support delivery of corporate priorities and key strategies, including the new Corporate Plan and Housing Strategy.
- How capital investment options would be evaluated.
- The importance of achieving a balance between capital investment that supported service delivery and investments that delivered financial return to support the budget.
- How the capital programme would be funded, ensuring it was affordable over the medium term.
- The management of risks.
- Plans to extend capital investment planning timescales from the short/medium-term to a longer period (10 years plus).

The Executive Member for Finance explained that the approach, set out in the report presented, had been subject to review by the Treasury Management Panel, at a workshop with the Council's treasury management advisors in February 2019, and had been reviewed by the Overview and Scrutiny Committee in March 2019.

In response to questions, the Executive was informed that in order to develop a final strategy, priority work streams included:

- Refreshing the Council's 5-year Medium Term Financial Plan.
- Evaluating the performance and risk profile of existing and planned capital investments.
- Developing supporting governance and decision-making frameworks.

It was highlighted that the initial Outline Capital Investment Strategy would be developed over the coming months as priorities in the new Corporate Plan and Housing Strategy were confirmed. The Final Capital Investment Strategy was therefore expected to be considered by the Overview and Scrutiny Committee, Executive and Full Council in September 2019.

RESOLVED that the Outline Capital Investment Strategy 2019/20 be approved.

Reason for decision: To support the adoption of an Outline Capital Investment Strategy for the 2019/20 financial period.

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

116. OUTLINE HOUSING STRATEGY FOR THE BOROUGH

Councillor G.J. Knight, Deputy Leader and Executive Member for Housing and Benefits, submitted a report providing an outline Housing Strategy for the Borough.

Councillor Knight explained that the outline strategy set out the Council's commitment to enabling increased housing choice for residents and for those working in the borough who wanted an opportunity to live where they worked but could not afford to do so.

The Executive was informed that the Council had continued to meet or exceed the Core Strategy target of delivering 460 additional homes a year. Councillor Knight explained that developments across the borough needed to provide affordable housing – 30% of all projects in excess of 14 homes and 35% on green field sites. It was also recognised that the National Planning Policy Framework had made it more difficult for developers to plead economic viability in order to avoid their obligation to provide affordable homes, yet it was noted affordability remained an issue.

Councillor Knight explained that the Council needed to explore various options and opportunities to increase housing choice. The outline strategy highlighted a need to explore a range of options, including: opportunities to agree housing delivery vehicles on a specific site basis; working with public land owners to redevelop underused/redundant land and to encourage owners of empty homes to return them to use; reviewing the Council's own land holdings for housing delivery potential; delivering supported housing for single homeless people with complex needs; and the need to review Core Strategy targets and density levels whilst maintaining good design.

During the discussion, a variety of matters were considered, including: the importance of energy efficiency and environmental sustainability; housing delivery targets; shared equity schemes; and the importance of learning lessons from other local authorities.

In response to questions, Councillor Knight stated that the final strategy would be considered by the Executive in September 2019 and would cut across several portfolios. It was noted that the strategy would support objectives in the emerging Corporate Plan (2020-2025) and would be supported, for appropriate projects, by the Capital Investment Strategy.

RESOLVED that a Housing Strategy and Action Plan for the borough be developed and brought back to the Executive.

Reason for decision: To support the draft Corporate Plan (2020-2025) objective of securing more homes that are affordable to local people. The outline Housing Strategy sets out the Council's commitment to enabling more housing choices for residents and those who work in the borough who may want the opportunity to live close to where they work but can't afford to do so.

Alternative options: To proceed with a different scope, to defer the development of Housing Strategy until after the draft Corporate Plan (2020-2025) is adopted, or to not support the development of a Borough Housing Strategy at all.

117. GOVERNANCE TASK GROUP (CONSTITUTION)

Councillor J.E. Durrant, Executive Member for Community Safety and Chair of the Governance Task Group (Constitution), introduced the report as set out.

The Executive was informed that the Task Group had initially been established for a time-limited duration to review certain areas of the Constitution and related governance issues.

It was highlighted that the last in-depth review of the Constitution had taken place in 2014. The Task Group's review, with input from both Members (cross-party) and Officers, had therefore been timely. It also reflected the fact that from May 2019 the Council would be represented by 6 fewer councillors (45 as opposed to 51) following recommendations from the Local Government Boundary Commission.

Councillor Durrant explained that the Task Group's report provided recommendations on the following matters:

- Key decisions;
- Committee sizes, including a range of related matters, especially in relation to the Planning Committee;
- The role of the Employment Committee and Procedure Rules concerning Officer Employment; and
- Options for keeping the Constitution and related governance matters under review.

It was highlighted that in addition to receiving evidence from Members and Officers the Task Group had considered a range of documentary and other material including: Information from the Council's Constitution; Comparative data from Surrey Districts and CIPFA's Nearest Neighbours; Information from Knowles, a well-known manual of law and practice for Local Authority Meetings; and Options and modelling information for the future allocation of line Committee seats. It was noted that the findings from these activities had helped to inform recommendations set out in the report presented.

In response to questions, it was explained that the Task Group had deliberated long and hard over various matters associated with Planning Committee size, including options for decoupling the perceived link between the number of Wards on the Council and the seats on the Committee in order to demonstrate separation of responsibilities. It was noted much of this debate focused on how to remove allegations of perceived bias and predetermination. With this in mind, it was explained that the Task Group had put forward a stronger, more formalised and visible role for Ward Members debating applications at the Committee in their Ward.

Councillor Durrant concluded by highlighting that due to the tight reporting schedule some areas of work had not been progressed as planned. However, subject to relevant recommendations being approved, it was hoped that the work streams, set out in Annex 2 to the report presented, would be prioritised and taken forward during 2019/20.

The Leader of the Council thanked the Members of the Task Group, including Councillor N.D. Harrison whose name had been omitted in error from the covering report, and supporting Members and Officers for their work in conducting the review.

RECOMMENDED:

- (i) That the definition of a Key Decision, set out in Article 14 (14.3.2 – 14.3.4) of the Constitution should remain unchanged.**
- (ii) That the membership of the Overview and Scrutiny Committee remain at 15 Members.**
- (iii) That the membership of the Licensing and Regulatory Committee be reduced to 12 Members.**
- (iv) That Members of the Executive be not allowed to be members or substitutes of the Planning Committee and that the Constitution be amended to reflect this.**
- (v) That Members of the Planning Committee be not allowed to participate as Members of the Committee nor vote on any matters that relate to their own Wards and that the Constitution be amended to reflect this.**
- (vi) That the role of Ward Members at Planning Committee be changed to strengthen and formalise the role with the ability to make representations on behalf of their Ward constituents, with clarification provided in the Constitution on the following:**
 - a. Providing any Ward Members with a time-limited opportunity (i.e. 3 minutes per Member with the Chair's discretion to adjust the time allowed and the frequency of contributions to the meeting) for input on each application considered by the Committee, requesting (but not moving) reasons for refusal* and attendance at site visits.**

** A summary of how this would work in practices is:*

- Ward members can request reasons for refusal but not move motions.*
- Reasons for refusal would only be provided to the Member requesting them.*
- The content of those reasons for refusal (requested by ward members) can be put to the Planning Committee during their dedicated speaking slot.*
- The Chairman should maintain an independent role and therefore would not propose reasons for refusal motions on behalf of ward members.*
- Committee members may ask for reasons for refusal to be moved and voted upon, which may include those requested by Ward Members. In the event that no reasons for refusal are moved and the Committee do not agree the Officer Recommendation (e.g. to grant permission) then*

the matter would stand referred to the next meeting of the Committee for re-consideration.

- b. A reserved seat be provided in the Chamber for use by Ward Members (including Planning Committee Members who are not able to take up their Committee seat if the application relates to their Ward), to advocate on behalf of their Ward on each relevant application.**
- (vii) That: (a) the Officer Scheme of Delegation be amended to increase the delegation to the Head of Service with responsibility for Planning to determine applications for commercial works not exceeding 250 sqm; and (b) That it be noted that the principle of referring matters to the Planning Committee, as set out in the Planning Protocol, would apply to a. (above).**
- (viii) That the membership of the Planning Committee be broadly representative of the geographic coverage of the Borough and that it be reduced from 19 Members to 15 with a further review 6 months after the first Planning Committee of 2019/20. This review should be carried out by the Governance Task Group in consultation with the Chair and Vice Chair of the Planning Committee.**
- (ix) That the membership of the Standards Committee remain at 5 Members and two Co-opted Members.**
- (x) That the membership of the Employment Committee remains as set out in the Constitution i.e. 5 Members at least one of which must be an Executive Member.**
- (xi) To ensure the Employment Committee makes a positive input to strategic recruitment and cultural development, the following roles and responsibilities be added to the terms of reference for the Employment Committee: (a) Oversight and engagement (with relevant Officers) in respect of the development of the Organisational Development Strategy – which includes the talent attraction/development/retention strategy for staff and the Council’s Management Structure; (b) Establishing a critical friend role in relation to ensuring the Organisational Development Strategy is on track and fit for purpose. This should include consultation around the annual Service and Financial Planning process and Pay Policy Statement; (c) That the application of a. and b. (above) be detailed in an annual work programme to be agreed at the start of each Municipal Year by the Employment Committee.**
- (xii) That Annex 1 of Procedure Rule 9 (Officer Employment Rules responsibility for functions) be amended with the following additions: (a) Direct Reports to the Chief Executive be recruited by the Employment Committee (taking into account the advice of the Head of Paid Service); (b) Employment Committee to be consulted and briefed on the disciplinary / dismissal arrangements (including any compensation agreements) for Direct Reports to the Chief Executive; (c) That the wording of “Other Employees*” be amended to clarify that this includes Heads of Service; and (d) That the lead Member of the**

Executive be consulted and briefed in the recruitment of any Head of Service under their Portfolio.

- (xiii) That the membership, and terms of reference, of the standing “Task Group” be appointed annually at the Annual Council meeting applying the spirit of the political proportionality rules. The Task Group would agree its own Work Programme at its first meeting of the Municipal Year.**
- (xiv) That a delegation be provided to reflect the wording set out in Paragraph 12* of the Notes to the Officer Scheme of Delegation (Part 3b of the Constitution) to clarify the Monitoring Officer’s role within the scheme.**

**Paragraph 12 - The Monitoring Officer shall determine any issues as to the form and manner of the Scheme’s operation, implementation or interpretation, for example, where clarification is required as to which officers can exercise a delegation or which Executive Member(s) must be consulted, or referred to in paragraph 6. above (ref new legislative provisions).*

- (xv) That the Monitoring Officer be authorised to update the Constitution in accordance with the tracked changes set out in Annex 4 to this report, to reflect the recommendations agreed by the Executive.**
- (xvi) That a delegation be provided to the Monitoring Officer to make administrative and consequential amendments to the Constitution arising from the key principles of decisions taken by Council both in response to this report and any other adjustments to clarify points in the Constitution that do not change the key principle of its origin. The Governance Task Group Members would be consulted on the proposed changes two weeks in advance of their publication for any comments.**

RESOLVED that:

- (i) Chair training be provided to all line Committee Chairs, Vice Chairs, Mayor and Deputy Mayor.
- (ii) All Employment Committee Members (including Substitute Members) to receive appropriate mandatory Member Learning and Development on equality and diversity in employment and related recruitment matters (e.g. fair recruitment processes, interviewing skills, etc.) in advance of sitting as a member of the Committee to ensure they can positively contribute to the Committee and the development of the Council’s culture.
- (iii) All Executive Members to receive mandatory Member Learning and Development on equality and diversity in employment and recruitment matters.
- (iv) In addition to the mandatory Licensing and Regulatory training at the start of the Municipal Year, all Licensing and Regulatory Committee Members should attend “refresher training” half way through the year.

- (v) A standing cross-party “Task Group” be established to provide a Forum for the continued review of governance matters by the Council.
- (vi) That the Planning Committee be requested, at its first meeting of the 2019/20 Municipal Year, to review its Planning Protocol to consider introducing wider scope for questioning / speaking at meetings (including the public) and to reflect, subject to Full Council approval, Recommendations vi(a). and vi(b). above.
- (vii) The request for the arrangements for Licensing and Regulatory Sub-Committee Chairs remaining at 5 (the existing number) be considered by the Licensing and Regulatory Committee at its first meeting of the 2019/20 Municipal Year.

Reason for decision: To set out the findings from the Governance Task Group (Constitution) to ensure Council business is well managed and that decisions are taken effectively and efficiently, in accordance with statutory requirements.

Alternative options: To approve/support only some of the proposed changes set out in the report presented or defer making a decision and request further work be undertaken on any aspect of the proposed amendments.

118. QUARTERLY PERFORMANCE REPORT (Q3 2018/19)

The Executive Member for Finance, Councillor T. Schofield submitted a report that detailed major variances on performance for the third quarter of 2018/19 in relation to the Council’s Key Performance Indicators, Revenue Budget Monitoring, Capital Budget Monitoring and Internal Audit. The report also provided an update on Key Performance Indicators and Strategic Risks for 2019/20. The Executive Member confirmed that 8 of the Council’s 14 Key Performance Indicators were on target, or within the agreed tolerance.

The Executive was informed that KPIs 4-8 were contextual homelessness indicators which had been introduced to reflect changes required under the Homelessness Reduction Act (2017). Councillor Schofield explained, as the impact of this legislation was uncertain, no target had been set for 2018/19.

In response to questions about KPI 3, in reference to the number of affordable home completions, it was explained that this was off target at the end of quarter 3. It was noted that against a target of achieving 75 affordable home completions by the end of the quarter, 60 had been achieved and it was recognised that achieving this target was largely outside of the Council’s control. However, at the end of the quarter 52 affordable dwellings were under construction and a further 31 had commenced within the quarter. With this in mind, Councillor Schofield indicated that the overarching target for the year (100) would be achieved.

With regards to the financial aspects within the report, it was noted that there was a healthy underspend on the revenue budget. It was explained that income from planning fees remained buoyant while rental income from commercial property investments was higher than originally forecast due to recent acquisitions. The Executive also noted that good progress was being made on the capital programme.

The quarterly performance report was presented to the Overview and Scrutiny Committee on 14 March 2019 and Councillor Schofield advised that the Committee had raised a number of comments which had been addressed at the meeting.

During the discussion, the Executive noted that a number of internal audits had been completed during quarter 3. In terms of risk management, it was highlighted that no new strategic risks had been identified during the quarter.

Councillor Schofield concluded by explaining, as set out in Sections 6 and 7 of Annex 1 of the report presented, that the Council's Key Performance Indicators had been updated for 2019/20 and that the Council's Strategic Risks had been reviewed and revised for 2019/20.

RESOLVED that the performance outlined in the quarterly performance report to December 2018 be noted and the revised Key Performance Indicators for 2019/20 and Strategic Risks for 2019/20 be approved.

Reason for decision: To consider the performance for the third quarter of the financial year 2018/19 and to ensure appropriate arrangements for performance monitoring and risk management were in place for 2019/20.

Alternative options: None.

119. OVERVIEW AND SCRUTINY COMMITTEE WORK PROGRAMME 2019/20

A report was submitted with the proposed 2019/20 work programme for the Overview and Scrutiny Committee. The work programme was appended to the report.

The Leader of the Council, Councillor M.A. Brunt, highlighted that the programme had been reviewed and supported by the Overview and Scrutiny Committee in February 2019 and that the Executive was being consulted, prior to consideration by Full Council in April 2019.

It was noted that the report set out relevant statutory powers, resource, legal and equalities implications and consultation undertaken. In response to questions, Councillor Brunt 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 achievable and added value to the work of the Council.

It was noted that the Overview and Scrutiny Committee had recognised the increased pressures facing the Council and had maintained a streamlined approach to ensure its work programme, and future activities, reflected the Council's priorities.

Councillor Brunt concluded by highlighting that Local Government continued to change and that as a result the Council would continue to monitor both its governance and scrutiny arrangements.

RECOMMENDED that the Overview and Scrutiny Committee Work Programme for 2019/20 be adopted.

Reason for decision: To support the adoption of a work programme for the Overview and Scrutiny Committee for the 2019/20 Municipal Year.

Alternative options: To add to or not support the adoption of the Overview and Scrutiny Committee work programme for 2019/20.

120. COMPANIES PERFORMANCE UPDATE

The Leader of the Council, Councillor M.A. Brunt, introduced a report providing an overview of the performance of companies owned or part-owned by the Council. It was highlighted that this was the second of such updates and the first to include information direct from the Board of Directors of each Company. It was noted that these companies, as of March 2019, consisted of Greensand Holdings Ltd, Horley Business Park Development LLP, Pathway for Care Ltd and RBBC Ltd.

The Executive was informed that the report presented had been considered by the Overview and Scrutiny Committee on 14 March 2019. It was noted that the Committee had made a number of comments, including a request for additional company financial/performance information in future updates.

During the discussion a variety of matters were considered and it was noted that additional information had been set out in the exempt Part 2 report of the agenda.

As set out in the report presented, the Executive noted the importance of implementing recommendations from the Commercial Governance Review (considered earlier in the meeting under agenda item 4 – Commercial Governance Review 2018) and establishing a Commercial Ventures Executive Sub-Committee. It was also noted that the new Executive Sub-Committee would have a remit overseeing the Council's company activities and that a report, setting out terms of reference, would be considered by the Executive in April 2019.

RESOLVED that the performance of companies owned or part owned by the Council be noted.

Reason for decision: To consider the performance of companies owned or part owned by the Council, as of March 2019.

Alternative options: To ask officers to provide additional information to assist consideration of the performance of companies owned, or part-owned, by the Council as of March 2019.

121. DISPOSAL OF PROPERTY IN REDHILL

The Leader of the Council, Councillor M.A. Brunt, invited the Executive to consider the disposal of a property in Redhill. During the discussion, the following information was noted by the Executive:

- The property provided supported housing and was used as 5 self-contained bedsit residential units for adults with a mild or moderate learning difficulty or disability.
- The lessee, a registered charity, had long expressed an interest in purchasing the freehold.
- The disposal offered significant benefits in financial terms and also offered benefits to the broader community by ensuring the continued use of the property as supported living accommodation.
- The Council had commissioned a valuation of the property in accordance with s123 Local Government Act 1972 to ensure best consideration was obtained.

- Subject to Executive approval, a sale figure had been agreed at the valuation level.

In response to questions, Councillor Brunt highlighted that the potential disposal had been assessed against the Council's Policy on Disposal of Property and Assessment Management Plan objectives. It was also explained that costs of holding the property, in terms of insurance and improvement work, had been evaluated.

It was noted that full details of the property, including details of the valuation and other financial implications had been set out in the exempt Part 2 report on the agenda.

Clerk's note – *at this point in the meeting (9.22pm) agenda item 13 (Disposal of Property in Redhill) was adjourned so that exempt information could be considered under agenda item 19 (Disposal of Property in Redhill – Exempt) ahead of making a decision.*

Clerk's note – *The minutes of the meeting reflect the order of business listed on the published agenda, not the order taken at the meeting.*

On conclusion of agenda item 19 (at 9.24pm) the Executive returned to agenda item 13 and;

RESOLVED that:

- (i) The disposal of a property in Redhill to the existing lessee, as referred to in the exempt Part 2 report, be authorised.
- (ii) The Director of Finance and Organisation, in consultation with the Executive Member for Property and Acquisitions and Executive Member for Finance, be authorised to agree final terms of the sale.

Reason for decision: To release latent value from an asset while ensuring the use of the property, as supported living accommodation, is retained.

Alternative options: To renew the lease of the property to the existing tenant or obtain vacant possession and either convert or demolish the property and rebuild.

122. PROPERTY ACQUISITIONS

There was no business to be considered under this agenda item.

123. STATEMENTS

None.

124. ANY OTHER URGENT BUSINESS

None.

125. EXEMPT BUSINESS

RESOLVED that members of the press and public be excluded from the meeting for agenda items 18 (Companies Performance Update – Exempt) and 19 (Disposal of Property in Redhill – Exempt) under Section 100A(4) of the Local Government Act 1972 on the grounds that: (i) it involved 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 outweighed the public interest in disclosing the information.

126. COMPANIES PERFORMANCE UPDATE (EXEMPT)

RESOLVED that the exempt information in relation to the performance of companies owned, or part owned, by the Council be noted.

127. DISPOSAL OF PROPERTY IN REDHILL (EXEMPT)

RESOLVED that the exempt information in relation to the disposal of a property in Redhill be noted.

128. PROPERTY ACQUISITIONS (EXEMPT)

There was no exempt business to be considered under this agenda item.

The Meeting closed at 9.25 pm