

## **BOROUGH OF REIGATE AND BANSTEAD**

### **EXECUTIVE**

Minutes of a meeting of the Executive held at the New Council Chamber - Town Hall, Reigate on 21 June 2018 at 7.30 pm.

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

Also present: Councillors Mrs. R. Absalom, M. S. Blacker, J. C. S. Essex, R. C. Newstead, Mrs. R. S. Turner and C. T. H. Whinney.

#### **111. MINUTES**

**RESOLVED** that the Minutes of the Special Executive meeting held on 11 May 2018 be approved as a correct record and signed.

#### **112. APOLOGIES FOR ABSENCE**

**Non-Executive Members:** Councillors J.M. Ellacott and N.D. Harrison.

#### **113. DECLARATIONS OF INTEREST**

None.

#### **114. FIVE YEAR PLAN PERFORMANCE REPORT 2017/18**

Councillor T. Schofield, Executive Member for Finance, introduced the report concerning the Council's performance against the Five Year Plan (2015-2020) priorities for the period 1 April 2017 to 31 March 2018. The Executive noted the positive progress made, outlined in Annex 1 of the report, and Councillor Schofield highlighted a number of achievements, under each of the plan's themes of people, place and organisation, including:

- Supporting residents to enjoy healthy and happy lifestyles by establishing a Community Development team and expanding the existing Wellbeing Prescription Service.
- Ensuring the borough remained a great place to live and work, with significant work been undertaken on the Development Management Plan.
- Adopting a balanced budget without reducing services to residents and businesses. It was noted that this had been achieved without receiving a revenue support grant from central government.

The Executive Member for Finance went on to explain that the council was also delivering activities that were not clearly captured in the Five Year Plan. For example, the delivery of affordable housing for local people as well as work carried out in response to new government policies, such as the Homelessness Reduction Act and the introduction of Universal Credit. It was noted that the corporate plan

was being reviewed to ensure council priorities continued to reflect and address the needs of local people.

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

- The importance of encouraging existing business to thrive and grow and attracting new businesses to the borough.
- The work of local business guilds.
- The non-clinical services provided by the Wellbeing Prescription Service. It was explained that East Surrey Clinical Commissioning Group had extended funding for the scheme and it was one of the largest signposting services in the country.

Councillor Schofield concluded by informing the Executive that some of the success measures identified in the Five Year Plan had been difficult to monitor progress against. It was recognised that success measures would be reviewed as part of the corporate plan refresh.

**RESOLVED** that the positive progress against the Council's Five Year Plan (2015-2020) priorities, set out in the report of the Head of Corporate Policy, Performance and Legal, be noted.

**Reason for decision:** To receive the Five Year Plan progress for 2017-18.

**Alternative options:** None.

## **115. ANNUAL GOVERNANCE STATEMENT**

Councillor T. Schofield, Executive Member for Finance, explained that the Council was required to publish an annual statement on its corporate governance arrangements as part of the Council's annual Statement of Accounts.

It was noted that statutory regulations recommended that the body charged with overall responsibility for governance within the Council (in this case the Executive) should review and endorse the statement prior to its formal signature by the Leader of the Council and the Chief Executive.

A statement for the year ended 31 March 2018 was presented to the Executive as an Annex to the report and was based on the following sources of evidence:

- Annual Internal Auditor Report.
- External Audit and Inspection Reports.
- Issues identified from the Council's Risk Registers.
- Annual assurance statements signed by the Management Team that confirmed that the Council had achieved 'best value' and had complied with all relevant legislation, regulations and codes of practice.

The statement included reference to the independent opinions of the Council's internal and external auditors, which provided considerable assurance in respect of

the Council's governance arrangements. These also identified some enhancements to the framework of risk management, governance and internal control that would ensure that it remained adequate and effective.

Overall the Council was confident that it had good governance arrangements in place to ensure that resources were directed toward identified priorities which in turn would seek to ensure continued value for money.

The Executive recognised that there was always room for improvement but overall the control and governance framework had been judged to be sound by all who examined it.

**RESOLVED** that the Annual Governance Statement, set out in Annex 1 of the report, be endorsed.

**Reason for decision:** To consider the Council's Annual Governance Statement before it was included within the annual Statement of Accounts.

**Alternative options:** To reject or amend the contents of the statement.

#### **116. PROVISIONAL OUTTURN 2017/18**

Councillor T. Schofield, Executive Member for Finance, introduced the report and advised the Executive of the provisional revenue and capital expenditure for 2017/18. The Executive was asked to note the 2017/18 provisional outturn for revenue (£849,600 underspend) and capital (£2.56 million underspend).

It was recognised, due to its nature, that the capital programme was not easy to profile accurately and had historically underspent by around 20% to 40% per year, with the exception of 2016/17 which had a relatively small underspend. Councillor Schofield explained the capital programme had progressed well in 2017/18, with a variance of 11%. It was noted that any unspent budget would remain in capital reserves.

Councillor Schofield informed the Executive that during 2017/18 the Council had been able to manage the revenue pressure on the budget, returning a 5% underspend. This was due to a number of factors including, beneficial recycling prices, increased membership of the Garden Waste scheme and the increased supply of temporary accommodation and preventative activity for those at risk of homelessness, leading to reduced B&B accommodation costs.

Councillor Schofield explained that the proposed use of the revenue underspend, to set up a reserve against the risk of future reductions in income retained from business rates, was set out in paragraph 11 of the report.

The Executive noted an update to the figures, on page 48, Annex 3, Table 7 of the agenda, concerning the Pathway for Care Ltd loan which had been listed with a rate of return of 9%. Councillor Schofield explained that following a change in structure to Pathway for Care, which had been previously reported to the Executive, this rate of return was zero percent in 2017/18 and all records had been updated accordingly.

The Overview and Scrutiny Committee considered the report on 12 June 2018. The Executive Member for Finance thanked the Committee for its questions and comments and noted that these had been captured in the minutes of the meeting.

Councillor Schofield concluded by stating that despite the challenges, at a time when many local authorities were making cuts and selling off assets, that the Council would continue to be ambitious and would continue to deliver excellent services to residents.

**RESOLVED** that:

- (i) The provisional revenue and capital outturn position for 2017/18 be noted;
- (ii) The use of reserves proposed in paragraphs 10 and 11 of the report be endorsed and the Head of Finance be authorised to make the necessary arrangements;
- (iii) The Head of Finance be authorised to set up a new reserve entitled Government Funding Reduction Reserve; and
- (iv) The Annual Treasury Management Report (Annex 1 of the report to the Executive) be noted.

**Reason for decision:** To advise Members of the revenue and capital expenditure for 2017/18, to seek authorisation for the proposed changes to reserves and to comply with the Council's reporting requirements in relation to Treasury Management activity.

**Alternative options:** To amend, or reject, the proposals to adjust reserves as set out in the report.

**117. QUARTERLY PERFORMANCE REPORT (Q4 2017/18)**

A report was submitted which presented the headline issues in relation to the Council's overall performance for the period up to the end of Quarter 4 (January to March) of 2017/18. The report also contained an update on strategic risks as well as an operational risk which had been rated as 'red'.

Councillor T. Schofield, Executive Member for Finance, highlighted that eleven of the thirteen Key Performance Indicators (KPIs) were on target or within agreed tolerances for the period. The Executive was informed that KPI4 was a contextual indicator and no target had been set.

Cllr Schofield explained that one indicator – KPI 13: 'business income as a percentage of gross budget' – was off target for the period. It was highlighted that this target had been set when the Council operated its own Building Control function, and included this income. Since then, Building Control had operated as a shared service and it was recognised that the methodology for calculating the council's performance would be redefined for 2018/19.

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

- The council's approach to recycling, including recent achievements, residents' participation, and the importance of effective communication.
- The costs associated with waste going to landfill.

The report had been considered by the Overview and Scrutiny Committee on the 12 June 2018. It was explained that the Committee had raised a number of questions, which had been captured in the minutes of the meeting, but had made no formal observations for consideration by the Executive.

**RESOLVED** that the performance outlined in the report be noted.

**Reason for decision:** To consider the performance for the fourth quarter of the financial year 2017/18.

**Alternative options:** None.

#### **118. DEVELOPMENT OF LEE STREET HORLEY SITE**

Councillor G.J. Knight, Deputy Leader and Executive Member for Housing and Benefits, introduced the report concerning a proposal for the development of housing on the Lee Street Development Site in Horley.

Councillor Knight informed the Executive that this was a revised scheme. It was explained that capital funding had previously been agreed for the site and that the original aim was to build two semi-detached bungalows for use as temporary family accommodation as part of the council's strategy to reduce spending on bed and breakfast. It was noted that a budget had been obtained for this construction and that planning permission had been granted for the project. However, the lowest priced tender was 35% above the allocated budget.

Councillor Knight informed the Executive that Housing Services had worked hard to reduce expenditure on temporary homeless families through investment in property and homelessness prevention activities. However, moving forward, it was highlighted that resources also needed to be directed towards single people and that this issue had become more apparent as a result of new challenges brought about by the Homelessness Reduction Act.

In view of rising costs, on-going reductions in B&B spend and a need to assist single people, it was recognised that a new proposal was needed. The Executive was informed that the revised scheme, outlined in the report, provided an opportunity to deliver new housing, using modern construction methods, to assist single person households into affordable accommodation, helping the Council meet requirements of the Homelessness Reduction Act 2017.

During the discussion, it was explained that:

- The new scheme provided an opportunity to invest in a modern construction method on a small and constrained site whilst providing an affordable housing option for local people.
- The scheme would provide four contemporary micro homes which would be built off site in a factory and delivered by road.

- In terms of construction, the scheme would be subject to tender.
- Since the introduction of the Homelessness Reduction Act it had become clear that the council would need to assist more single people as a result of increased homelessness responsibilities.
- Fixed term tenancies would be for two years, extendable to three years.
- The Council would retain freehold of the land and would be the Registered Social Landlord.
- Tenants would pay affordable rent and would be offered a savings scheme so they had their own rent deposit on leaving.

**RESOLVED** that:

- (i) The Head of People and Communities be authorised, in consultation with the Executive Member for Housing and Benefits, to progress and submit a Planning Application for the development of housing at the Lee Street site, in accordance with the budget set out in Part 2 of the report;
- (ii) The Head of People and Communities be authorised, in consultation with the Executive Member for Housing and Benefits, to include the costs of the project within the Capital Programme as detailed in Part 2 of the report;
- (iii) The Head of People and Communities be authorised, in consultation with the Executive Member for Housing and Benefits, to prepare the necessary documentation and to obtain competitive construction tenders; and
- (iv) The Head of People and Communities be authorised, in consultation with the Executive Member for Housing and Benefits, to finalise, agree and sign construction contracts for the development of the Lee Street site.

**Reason for decision:** To deliver a revised housing scheme, using modern construction methods, to assist single person households into affordable accommodation, helping the Council meet requirements of the Homelessness Reduction Act 2017.

**Alternative options:** To progress the original scheme, to deliver two bungalows for homeless family households, or to dispose of the site.

## **119. ACQUISITION OF PROPERTY INVESTMENTS IN REDHILL**

Councillor Mrs N.J. Bramhall, Executive Member for Property and Regeneration, introduced the report concerning the acquisition of one freehold and two long leasehold interests in three industrial units in Redhill.

The Executive Member for Property and Regeneration highlighted that the Council's Five Year Plan (2015-2020) identified property investment and development as one of its key objectives. It was explained that these acquisitions would provide an additional revenue stream and would also give the Council greater control of a strategic land holding in Redhill town centre, with potential for future development.

Councillor Mrs Bramhall informed the Executive that heads of terms for the purchase had been agreed but, as set out in the report, it was recommended that a delegation be put in place to allow for variations to the agreed terms. It was noted that this would allow for any changes necessary following due diligence investigations, including the valuation and surveys of the properties.

The Executive noted that full details of the Council's bid, the financial implications and the property addresses had been set out in the exempt Part 2 section of the agenda.

**RESOLVED** that:

The Head of Property, in consultation with the Head of Finance and the Executive Members for Property and Regeneration and Finance, be authorised to:

- a) Acquire, for investment purposes, the Freehold and Long Leasehold properties referred to in the report to the Executive.
- b) Agree any variations to the heads of terms and to the acquisition price further to external valuation advice and due diligence investigations.

**Reason for decision:** To acquire, subject to the usual due diligence, three property investments in Redhill to support the Council's 5 Year Plan objective to become financially self-sufficient.

**Alternative options:** Investigate alternative property acquisitions or do nothing.

**120. DEVELOPMENT MANAGEMENT PLAN AND LOCAL DEVELOPMENT SCHEME**

Councillor K. Foreman, Executive Member for Planning Policy, introduced the Development Management Plan (DMP) and the Local Development Scheme (LDS) report.

Having been approved for Regulation 19 Publication and Submission by Council in December 2017, Councillor Foreman explained the DMP had been submitted to the Planning Inspectorate on 18 May 2018. It was noted that the Regulation 19 publicity period had taken place from January 2018 to early May 2018, having been extended to ensure all interested parties had an opportunity to comment. The Executive was informed that in total 1,497 representations had been received during the publication period from 1,075 organisations and individuals.

The Executive Member for Planning Policy advised that the purpose of the examination process was to determine whether the Plan was fit for purpose and if it could be adopted for development management, forward planning and corporate objectives. It was noted that this involved the checking of the DMP by an appointed Inspector, who would test its soundness, and a round of Examination Hearings where oral representations could be made.

The Executive was asked to note that during the examination process there would inevitably be changes (minor modifications) that would need to be made to the submitted document, either as a result of changes in circumstances or evidence, in

response to representations made or as requested by the Inspector. It was noted that the ability to make these changes, as well as agree statements of common ground, without prior Executive authorisation would enable the process to run smoothly and would avoid suspension of the Hearings and delay which would effectively render the process unworkable.

It was noted that matters that went to the heart of the Plan, as suggested by either the Council or the Inspector during the examination process, would not be covered by the delegation set out in the report, but would be “main modifications”. These would be subject to appropriate deliberation by Members and further consultation.

In response to questions, Councillor Foreman made clear that the item before the Executive did not present an opportunity to reopen debate about the content of the DMP. It was explained that Council, in December 2017, had agreed that the Plan could be submitted to the Secretary of State and it was noted this had occurred. During the discussion a number of areas were considered, including:

- Issues in relation to the Redhill Aerodrome site.
- The fact the public examination hearing sessions would be confirmed by the Inspector in due course and that these were expected to take place from September 2018.
- The revised LDS was a technically in order to meet legal requirements.

In response to questions about the LDS, Councillor Foreman explained that this was effectively a programme for the production of plans. The LDS set out a timetable for the key stages of local plan preparation. Councillor Foreman advised it was a requirement to prepare and maintain an LDS and explained, because this had last been revised in April 2017, that it needed to be updated to reflect recent changes to the publication and submission dates.

**RESOLVED** that:

- (i) The Head of Places and Planning be authorised, in consultation with the Leader of the Council and Executive Member for Planning Policy to:
  - Agree and submit correspondence, supporting documents, statements of common ground, technical evidence and topic papers as necessary to support the Development Management Plan through examination;
  - Provide formal responses to questions from the appointed Planning Inspector throughout the duration of the examination and agree actions necessary to ensure the soundness and legal compliance of the Development Management Plan; and
  - Recommend additional (minor) modifications to the Inspector as required throughout the duration of the examination;

to support the submitted Development Management Plan during the examination process under Regulation 22 of the Town and Country Planning (Local Planning) (England) Regulations 2012.



- (ii) The revised Local Development Scheme (Annex 1 of the report to the Executive) be adopted and take immediate effect.

**Reason for decision:** To support the Development Management Plan through the examination process and to ensure an up to date Local Development Scheme is maintained by the Council.

**Alternative options:** Not to approve delegated arrangements, set out in the report to support the Development Management Plan through the examination process, and/or not to approve the revised Local Development Scheme.

**121. PROPERTY ACQUISITIONS**

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

**122. STATEMENTS**

None.

**123. ANY OTHER URGENT BUSINESS**

None.

**124. 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 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.

**125. DEVELOPMENT OF LEE STREET HORLEY SITE**

Councillor G.J. Knight, Deputy Leader and Executive Member for Housing and Benefits, introduced the exempt information in relation to the development of housing at the Lee Street site in Horley. In response to questions about the scheme's design, including the types of units available and methods of construction, it was agreed a briefing should be prepared for all Members.

**RESOLVED** that the exempt information, relating to the development of housing at the Lee Street site in Horley, be noted.

**126. ACQUISITION OF PROPERTY INVESTMENTS IN REDHILL**

Councillor Mrs N.J. Bramhall, Executive Member for Property and Regeneration, introduced the exempt information in relation to the acquisition of property investments in Redhill.

**RESOLVED** that the exempt information relating to the acquisition of property investments in Redhill be noted.

**127. PROPERTY ACQUISITIONS**

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

The Meeting closed at 8.16 pm