

Additional Further responses to Questions from Overview & Scrutiny 8 December 2022 (updated on 5 July 2023)

See meeting info at: [Agenda for Overview and Scrutiny Committee on Thursday, 8th December, 2022, 7.30 pm | Reigate and Banstead Borough Council \(moderngov.co.uk\)](#)

Agenda Item 6

Commercial Strategy Progress Update

Question 6 - Commercial Assets – Page 56 of the report states that three projects have been successfully concluded, Members asked for the details of the capital budget outturn for the projects.

Initial Written Answer

Although the builds have completed on site, final accounts have not been completed for any of the three projects as the final retention payments have not been agreed yet.

Follow-Up Answer

The information regarding the final accounts for the sites will be reported through the quarterly budget monitoring reports. It is anticipated that the final account for the Pitwood Park site will be signed off by the end of the financial year, and that the final account for the Cromwell Road site will be signed off either by the end of the financial year or early in the following period. The final account for the Lee Street site will not be signed off until after Summer 2023, when the one-year defect period with the builder ends.

Further Answer 05/07/2023

At O&S on the 15 June 2023 Members requested an update on the budget outturn for the three development projects.

The budget outturn forecasts contain confidential information. They have been shared with O&S Members but will not be published in the web library.

Question 7 – Commercial Assets - Members further asked for a “lessons learnt” report following completion of the projects at Cromwell Road and Pitwood Park.

Initial Written Answer

The request from members will be considered, more information will be provided in due course.

Follow-Up Answer

The Council's Project Management Framework requires a review of lessons learned as part of the project close process. As noted above at Question 6, the final accounts for recent projects are still outstanding and thus the projects have not yet been closed. Once final accounts are signed off and the projects are closed, it will be possible to provide a collated summary of lessons learned and to share this with O&S members (as well as the relevant officer boards).

Further Answer 26/06/2023

Lessons learnt from the Cromwell Road/Wheatley Court, Pitwood Park/Camelia Close and Lee Street projects will be added to the O&S Forward Work Plan when it is considered on 6 July, for reporting on 12 October 2023.

Question 8 - Asset (Re-)Development – Members commented that the costs and potential revenue income from The Rise and Cromwell Road were included in the report but were not broken down by property. Members requested a breakdown by property of funding, construction costs and net rental income to ascertain the return on investment for each asset.

Written Answer

The forecast Revenue Budget income in 2024/25 onwards from the Rise and Wheatley Court (Cromwell Road), as shown in the latest MTFP forecasts, remain indicative figures pending (i) completion of lease negotiations that are currently in progress and (ii) confirmation of any operating costs to be funded by the Council when the Property Team take on management responsibilities for the assets.

The forecast will be updated in the next MTFP refresh in July 2023 and in the Draft Budget Report in November 2023 when further information should be available.

Follow-Up Answer

As advised, the next updates to income forecasts will be presented in the MTFP updates in July and November 2023. As actual income streams are realised, these will be captured as part of the regular budget setting process.

Further Answer 26/06/2023

The latest budget forecast for The Rise development at Marketfield Way will be included in the Q1 Performance Report to O&S on 7 September 2023.

A more detailed breakdown of the budget for The Rise development at Marketfield Way - by property of funding, construction costs and net rental income to ascertain the return on investment on each asset - plus a lessons learnt assessment will be included in the Commercial Strategy Progress Update to O&S on 7 December 2023.