

Declarations of Interest

Any Member attending the meeting is reminded of the requirement to declare if he/she has a personal interest in any item of business, as defined in the Code of Conduct. If that interest is a prejudicial interest as defined in the Code the Member should also withdraw from the meeting.

SUPPLEMENTARY AGENDA NO 2

(Pages)

11. Resources

- i) To note the minutes of the meeting of the PAG held on 25 January 2017 (minutes to follow) and consider the Portfolio Holder's recommendations as set out in: **(4 - 7)**

Minute 62	Establishment of a Local Authority Trading Cor
Minute 63	Annual Treasury Management Strategy 2017/18
Minute 64	Capital Programme 2017/18 - 2020/21
Minute 68	Gerrards Cross Police Station (report in part II of the agenda)

The next meeting is due to take place on Tuesday, 25 April 2017

RESOURCES POLICY ADVISORY GROUP**Meeting - 25 January 2017**

Present: Mr Egleton (Chairman)
Mr Hogan, Mrs Jordan and Mr Sangster

Apologies for absence: Mr Hollis

68. MINUTES

The minutes of the meeting of the Policy Advisory Group (PAG) held on 8 December 2016 were received.

69. ESTABLISHMENT OF A LOCAL AUTHORITY TRADING COMPANY

Members received a report which set out the proposal that the Council ("SBDC") establishes a trading company, wholly owned by the Council, to enable the Council to take advantage of the powers to trade for profit introduced under the Local Government Act 2003 and the Localism Act 2011. It identified the Council's current and future property portfolio as a potential income generator and the risks the Council would be exposed to should it set-up a trading company. The next step would be to engage experts to help formulate the business case and in addition obtain specialist legal advice at a cost of approximately £20k, with an additional cost for financing/tax advice (around £5k for initial review but would be more if greater input was required).

Members discussed the timing of such an undertaking and the potential governance arrangements, which officers agreed was a high priority to ensure clear business objectives are set for any company, and the officers and board of any company are able to act in a commercial manner. This makes it important that appointments are made based on a clear statement of skills and experience, so that an independent and skilled board and management steers the new entity. It was suggested that relevantly experienced councillors could be non-executive board members, as well as people from the private sector with the necessary skills. Remuneration of board members was also discussed and it was acknowledged that the salary bill might be high and that share options might be a good way of incentivising the MD/CEO. Other local authority trading companies were seen as relevant reference points when devising the business case. Officers confirmed that the business case would consider the set-up costs and initial funding of the trading company.

Having considered the advice of the PAG, the Portfolio Holder **RECOMMENDED** to Cabinet:

1. That the establishment of a local authority trading vehicle to allow the Council to exercise the power to trade contained in the Local Government Act 2003 and the Localism Act 2011 to facilitate income generation be approved in principle
2. That the Interim Director of Services and Head of Legal and Democratic Services be authorised to engage suitable external experts to advise on the detail of the governance and

funding arrangements of the proposed company and to assist in the preparation of a business case as referred to in the report;

3. That budgetary provision of £25,000 be made to commission the work referred to in Recommendation 2 above, to be funded from general reserves;

4. That a further report on the business case and recommended governance and funding arrangements be brought back to the Cabinet at the first available opportunity.

70. **ANNUAL TREASURY MANAGEMENT STRATEGY 2017/18**

Members considered a report on the Council's Annual Treasury Management Strategy 2017/18. Members acknowledged the Council's duty to review its Treasury Management Strategy on a yearly basis. The report confirmed that although there is no substantial change to the strategy in respect of investments, the Prudential Borrowing Code now has relevance as from 2017/18 the Council may undertake borrowing of up to £11m to fund various capital projects.

Members commented on continued low interest rates and the impact of this on the Council's investment income. They also clarified the interest rate the Council would pay on any loans.

Having considered the advice of the PAG, the Portfolio Holder **RECOMMENDED** that the Treasury Management Strategy and its associated appendices be submitted for Cabinet and then Council for approval.

71. **CAPITAL PROGRAMME 2017/18 - 2020/21**

Members received a report which detailed the Capital Programme for 2017/18 to 2020/21. The key projects planned for the period include the Multi Storey Car Park at Gerrards Cross, redevelopment of the Academy, investment in waste bins, development of the Gerrards Cross Police Site, a budget for Disabled Facilities Grants, Renovation Grants and Flexible Home Loans, New Development Projects and Capswood maintenance. To pay for these projects, funds from grants, capital receipts, revenue reserves and contributions are to be used, as is selective borrowing potentially from 2017/18.

Members queried the accounting principles used as part of the strategy, the cost of the indicated projects, consultancy used in relation to the projects and the geographic concentration of the larger projects currently proposed around Gerrards Cross. It was discussed that potential future projects are likely to be spread around the South Bucks area.

Having considered the advice of the PAG, the Portfolio Holder **RECOMMENDED** the onward submission to Cabinet and Council of:

- i) The Capital Programme for 2017/18 – 2020/21 as set out in Appendix A
- ii) The Capital Strategy as set out in Appendix B

And that the implication for the Financial Strategy of the proposed programme be noted.

72. ANY OTHER BUSINESS

None.

73. EXEMPT INFORMATION

"That under Section 100(A)(4) of the Local Government Act 1972 following item of business is not for publication to the press or public on the grounds that it involves the likely disclosure of exempt information as defined in Part 1 of Schedule 12A to the Act."

(para 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information))

74. PART II MINUTES

The Part II minutes of the meeting held on 8 December were confirmed.

75. GERRARDS CROSS POLICE STATION

Members received the report from the Head of Healthy Communities and the Head of Environment, which detailed the indicative business case for the Council's purchase and development of the Gerrards Cross Police Station Site.

Funding for the negotiating of purchasing of the site was agreed by Cabinet on 4 July 2016. Since this time, officers have undertaken due process to enable exchange of contracts and completion of the sale. It was being recommended that the Council appoints a project manager to undertake the design and planning approval to develop the site. The report also set out the budgetary provision which was required for the continued purchase and development of the site.

Members clarified the processes that have already been undertaken to purchase the site, the associated costs and the site's planned housing density. Members emphasised the fact that the site was currently in the green belt and that this would dictate final housing density. Clarification was sort on stamp duty fees and officers confirmed this would be included in the detailed proposal, to be brought to Cabinet. Members questioned how any future community infrastructure levy, applied to the site, might impact the Council. Officers confirmed any levy would relate to planning permission, which was being sort before any potential levy is implemented. Members also queried the percentage of affordable housing as set out in the report.

Having considered the advice of the PAG, the Portfolio Holder **RECOMMENDED** to Cabinet and Council:

- a. To make budgetary provision of £4,222,500 from the Capital Receipts Reserves to enable the continued purchase of the site and meet the associated expenditure required by the Council to meet its obligations in acquiring the site.
- b. To add £5.3M budgetary provision to the Capital Programme, which will result in additional borrowing to enable the site to be redeveloped for housing and to

authorise the Head of Environment to draw down expenditure up to £800k from the Capital Programme to initiate the scope of works required to bring the site to development.

And to **RECOMMEND** to Cabinet:

- c. To enter in to a tender process to demolish the current police station and ex-police houses on a phased basis, once planning permission has been obtained
- d. To seek approval to appoint a project manager and developer through the Scape framework agreement, to obtain detailed design and planning approval for housing on the Gerrards Cross Police station site and to provide the detailed business plan at an estimated cost of £800k. A further report to present the detailed business plan before moving to the development phase.
- e. To authorise the Head of Healthy Communities enter in to agreement with Buckinghamshire Housing Association to continue to manage the ex-police houses for use as emergency accommodation for a 12 month period from; 1st June 2017, with the option to extend for further rolling 3 month periods
- f. To authorise the Head of Environment and Head of Healthy Communities to spend £10k to develop a business plan and planning proposals for emergency accommodation to be delivered on Council owned land or through the acquisition of property in the district.

76. **GERRARDS CROSS CAR PARK - WITHDRAWN FROM AGENDA**

The meeting terminated at 7.26 pm