





### **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)

10. **Resources**

To note the minutes of the meeting of the PAG held on 15 June 2017 and consider the Portfolio Holder's recommendations on the following:

**(4 - 11)**

The next meeting is due to take place on Wednesday, 25 October 2017

**RESOURCES POLICY ADVISORY GROUP (SBDC)**

**Meeting - 15 June 2017**

Present: Councillors Egleton (Chairman)  
Hogan and Sangster

Also Present: Councillors Bagge and Smith

Apologies for absence: Councillors Chhokar and Gibbs

**1. MINUTES**

The minutes of the meeting of the Policy Advisory Group (PAG) held on 12 April 2017 were agreed.

**2. CAR PARK MANAGEMENT STRATEGY**

Members gave consideration to a report that set out the Council's proposed five year Car Park Strategy. The Parking Manager informed Members that the strategy was an open and transparent approach to the Council's car park management. The strategy detailed how the Council would continue to provide parking services for residents, local businesses, shoppers and visitors as detailed in the Council's aim and objectives. It was heard that the strategy would go out for a 6 week consultation following approval.

Members agreed that the document aimed to reinforce the vitality of the District's towns. In response to a question regarding Richings Park car park, as to whether residents could receive car parking discounts, it was noted that there was no obligation for private companies to give residents discounts. With regards to electric charging points, Members were informed that customers would have to buy a ticket as normal, and pay for the electricity charge.

The PAG heard that there was a particular issue with parking in Gerrards Cross Station Road car park, where there were numbers of commuters parking. This particular car park is detailed in the Car Park Strategy. Further, it was heard that the Town Council had approached Chiltern Railways regarding the parking capacity at the Railway Station. Following a discussion, the PAG suggested several solutions to address resident, business and longer term parking. The proposed solutions included but were not limited to, longer stay parking on the higher levels of the proposed multi-storey car park at Gerrards Cross, as well as the need to be smarter and more sophisticated with technology.

Having considered the advice of the PAG, the Portfolio Holder **RESOLVED** that approval be given to commence consultation on the Car Park Strategy, and **RECOMMENDED** to the Cabinet meeting on 25 October 2017 that following the consultation period that:

- A five year Car Park Strategy be introduced that sets out the Council's aims and objectives, along with associated parking operations for the District; and
- Subject to Cabinet and full Council approving the Strategy, the Head of Environment be authorised to implement the Strategy for the District of South Bucks.

### 3. **ESTABLISHMENT OF A LOCAL AUTHORITY TRADING COMPANY**

The PAG considered a business case (appendix A) for the setting up of a local authority trading company, focussing on property development and management. The Director of Services recommended Member attendance at an upcoming presentation by Savills to the Overview & Scrutiny Committee, who undertook a strategic review of the Council's property assets and would provide Members with additional context. Further, The Director of Services advised Members that the two missing appendices (B and C) were to be circulated separately via email, following review by the Legal Advisor. These appendices will set out the constitution and the framework in which the company can act, how the company will operate and matters reserved to the shareholder to ensure that the Council has appropriate influence and control over the company.

The report proposed that South Bucks District Council be the sole shareholder (appendix D), and that two directors be appointed, neither of which should be the Council's Director of Resources so as to avoid a conflict of interest as the Director Resources will be required to advise the Council on the company's business plan. It was heard that schemes would be brought to the Council as shareholder as they emerged and formed part of the business plan. Any initial developments would be in the South Bucks area, but ultimately the company would be able to operate outside of South Bucks if appropriate and there was a sound business case. Members noted that for section 9 of the report regarding the holding of affordable housing properties for rent, an appropriate governance structure was yet to be resolved. Wokingham Council was noted to have a commercial local trading company and a subsidiary company for social housing; this model was being looked into as an option.

The Legal Advisor explained that Councils have legal powers to set up this kind of company in order to generate income for other Council activities, and that South Bucks Officers were taking legal advice on matters, for instance, the appropriate appointments for directors. The Head of Finance stressed the importance of having a sound business case, and the fact that each individual scheme needs to be robust to

deliver a return to the Council. In response to a Member question regarding the conservative return figure, it was advised that although the company would aim for a higher return, to note that a return above the Council's borrowing rate is still profitable.

The Director of Resources informed the PAG that enough work had been done to give the company its first project, and be confident enough to know the returns would be satisfactory. The company was planned to be established and produce its first business plan in the autumn. The company's business plan would need to be in harmony with the Council's aims and objectives and what the Council wants to achieve in terms of income generation with regards to its future projects. It was noted that in regard to the Council's Strategic Asset Review some potential schemes that would emerge would not become projects of the company and that this would be assessed on a case by case basis. Members were informed that in the autumn, the Council's Audit Committee will look at the business plan and the Council's relationship with the company. Further, that the Council would not be involved in the operation of the company, but can, along with the Director of Resources, hold the company to account through scrutiny and approval of its business plan, and receiving its annual accounts at the annual shareholders meeting. Questions were asked surrounding auditing and book keeping for the company, to which the Head of Finance advised that company would procure its own audit services, and may wish to use council officers or external accountants with specialised knowledge to undertake its accounting and tax arrangements, and that other local authorities have found getting specialist external financial support the best approach.

Members of the PAG agreed that revenue generated would help to compensate for the reduction of government grant.

That Cabinet and Council be **RECOMMENDED**:

1. To approve the business case, as detailed in Appendix A, for setting up a local authority trading company, focusing on Property Development and Management.
2. To approve the establishment of a local authority trading company 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 based on the Articles of Association incorporating Reserved Matters for prior approval. The Director of Resources to have the delegated authority to agree the final version of the document.
3. To appoint the Chief Executive and the Director of Services as Company Directors.

4. To adopt a new Minimum Revenue Provision (MRP) policy as detailed in Appendix E.
5. To approve the following SBDC delegations:
  - The Director of Resources to have the authority to make secured loans to the trading company, up to the limits in the approved Company Business Plan.
  - The Director of Resources to have the authority to make unsecured working capital loans to the trading company, up to the limits in the approved Company Business Plan.
  - The Director of Resources to have the authority, following consultation with the Leader, to use any sums specifically set aside in the Council's Capital programme to purchase assets on receipt of a viable outline business case.
6. To note the matters set out in this report relating to the issue of affordable housing, and delegate to the Director of Resources, in consultation with the Leader, authority to establish suitable arrangements to address those points.
7. To delegate to the Director of Resources authority to undertake any further actions to give effect to the contents of this report, in consultation with the Leader.

#### 4. **TREASURY MANAGEMENT ANNUAL REPORT 2016/17**

Members considered a report on the Treasury Management performance of the Council for 2016/17.

#### **RESOLVED:**

That the report be noted.

#### 5. **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))

**6. BATH ROAD DEPOT**

Members of the PAG considered a report discussing long term development opportunities for housing at Bath Road Depot and possible options to acquire adjacent land plots. It was noted that planning consent had previously been given for small industrial units on the site, but plans had not been implemented. The Head of Environment informed Members that the Healthy Communities PAG would consider Phase 1 in more depth at a future meeting. A site location map was attached as appendix A which detailed plots A and B as potential acquisitions; a business case regarding these options would be presented to Resources PAG Members at a future meeting. Members were of the view that the council should progress the project for those aspects that were in the Council's control to influence.

Members agreed that there was a need for housing detailed in Phase 1 and Phase 2 of the report and

**RECOMMENDED** to Cabinet:

- 1 That delegated authority is given to the Head of Environment [in consultation with the Portfolio Holder] to enter into discussions with the owners of the land identified in the report and to agree the terms of option agreements to purchase the land in due course;
- 2 That
  - a. delegated authority be given to the Head of Environment to agree the appointment of external consultants to carry out relevant surveys and initial design proposals; and
  - b. approval be given for up to £28,000 of the existing approved capital budget be used for this purpose, including the expenditure incurred to date.
- 3 That the Council be recommended to make additional provision in the capital budget of £1,010,000 for the proposed acquisition of the land referred to in the report.

**7. STOKE POGES MEMORIAL GARDENS 4 MONTHS BRIDGING CONTRACT**

The Facilities Manager informed Members that the grounds maintenance contracts for both Councils were coming to an end and that a new all-encompassing contract for the Council's services jointly with Chiltern District Council would be to the Council's advantage, to which Members of the PAG agreed. Members noted that the Stoke Poges Memorial Gardens contract was to be made co-terminus with the other contracts and



**RECOMMENDED** to Cabinet:

1. That Cabinet notes the exemption to the Contract Procedure Rules approved by the Management Team as set out in the report;
2. That Cabinet delegates authority to the Head of Environment, in consultation with the Portfolio Holder for Resources, to carry out the procurement and award the tender to the highest scoring bidder after evaluation.

**8. BAD DEBT WRITE OFF REQUEST**

The Director of Resources informed the PAG that there were two aspects to the report which included the recommendation to write off of the non-recoverable debts detailed in the report, and the request to make the current Temporary Housing Options Advisor a permanent post. The first aspect was the processes in place to determine whether the Council had a housing duty to an individual or not, and secondly the management of temporary accommodation placements, including co-ordination with the Benefits Service. It was noted that had been an increase in the number of households in temporary accommodation and more specifically, bed and breakfast accommodation over recent years. Members were informed that these cases had highlighted the need for tighter and better co-ordination between the housing, benefit service and finance to prevent clients in temporary accommodation from running up significant arrears. Part of this was to ensure that benefit claims were set up as swiftly as possible and the maximum amount was claimed by the client from the offset. Proactive work needed to be done with clients to ensure they make contributions due and they provide all necessary information to the benefits service.

Officers had already put in place a number of changes to tighten procedures and improve co-ordination between services. The Director of Resources had directed internal audit to review how these changes are working and report to the September Audit Committee on their findings.

Members of the PAG agreed that there was a lack of robustness in dealing with cases and that there was a real need to monitor the cases much more closely and be proactive to avoid arrears building up. In response to a Member question regarding the number of arrears cases the Council was reviewing, the PAG were informed that there were likely to be further cases which will come before members for decision.

Members of the PAG agreed that there was a lack of robustness in dealing with cases and that there was a real need to monitor the cases much more closely. In response to a Member question regarding the number of cases the Council was reviewing, the PAG were informed that there were further cases to be reviewed but that this was a matter of priority within the next month.

**RECOMMENDED** to Cabinet:

1. to authorise the write-off of the debts referred to in the report; and
2. to support a request to make the current temporary Housing Options Advisor post a permanent post on the establishment.

9. **STOKE PARK LEASE CHANGES**

Members were presented with a report detailing possible changes to update the lease of the Stoke Park estate. The Head of Environment referred to the location map at appendix A, and explained that the notion of surrendering the three leases for one single updated lease would help keep the lease up to date, as well as reflecting modern practice.

Following some discussion and upon consideration of advice from Members of the PAG, the Portfolio Holder **RESOLVED** that:

1. Negotiations to surrender the current three leases and grant a single updated lease for Stoke Park should be concluded if terms can be agreed;
2. The current lease plans be updated as required and agreed with the Land Registry as necessary to address any anomalies, and a budget of £5,000 towards possible costs be approved; and
3. Negotiations on the potential gifting of additional freehold land to the Council and its inclusion within the new updated lease be concluded if terms can be agreed.

The meeting terminated at 8.00 pm

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