

## RESOURCES POLICY ADVISORY GROUP

### Meeting - 25 September 2018

Present: B Gibbs (Chairman)  
R Bagge, S Chhokar, D Dhillon, J Jordan and P Kelly

#### 44. APOLOGIES FOR ABSENCE

There were no apologies for absence.

#### 45. MINUTES

The minutes of the Resources PAG held on 13 June were approved.

#### 46. DECLARATIONS OF INTEREST

There were no declarations of interest.

#### 47. GERRARDS CROSS CAR PARK

Members received a report which contained the final business case for the provision of additional parking in Station Road, Gerrards Cross and sought Member approval to progress the project. The PAG was advised that planning permission was issued by the Planning Committee on 17 August 2018 subject to 14 conditions, 3 of which had to be discharged prior to commencement. It was possible that construction could commence during 2019, however, this would result in the car park being closed over the 2019 Christmas period. The Business Case had therefore been based on the 'worst case' construction period of January to December 2020.

It was explained that the main factor behind the project was to meet parking need, with the business case exploring affordability. In the initial years the scheme would not generate extra net income for the Council as the extra income (£413k) was not sufficient to cover the cost of the loan (£555k). As the Council could take a long term view to meet the parking need, the business case demonstrated that the scheme would be affordable over the 40 year period. The PAG was advised that the business case was based on estimates and it could not be guaranteed how many people would use the car park and / or purchase season tickets however the business case was based on an initial daily charge of £6 which was less than the Chiltern Railways car park.

During discussion the following was discussed:

- Occupancy rate
- Percentage of increase in tariffs.
- The possibility of extension of the Gerrards Cross Station car park.
- Possible on street parking during the construction period.
- Provision of funds for ongoing maintenance.

Further during the discussion it was stated that the Mayor of Gerrards Cross had attended the Planning Committee and had spoken on behalf of residents in favour of the application to build. At the end of the discussion three of the members present expressed support for the recommendations and two expressed concern over the assumptions of usage and consequently whether this scheme was a good use of taxpayers' money.

Having considered the advice of the Policy Advisory Group, the Portfolio Holder agreed to **RECOMMEND** to Cabinet:

1. To approve the final business case for the project.
2. To note that the construction period will be January-December 2020 unless agreement can be reached to allow the car park to be closed over the 2019 Christmas trading period.
3. To recommend to Council that the Capital Programme for the Station Road Car Park be amended to the following:

2019/20	£5,000,000
2020/21	£8,051,000
4. That the Head of Environment be authorised to conclude the delivery agreement between Balfour Beatty and the Council for the construction phase.
5. That the Head of Finance be authorised to carry out the necessary arrangements to obtain the loan finance.

*Note 1: Councillor Chhokar left the meeting at 6.45 p.m.*

#### 48. **REDEVELOPMENT OF GERRARDS CROSS POLICE STATION**

Members received a report which contained the final business case for the design and construction of the redevelopment of Gerrards Cross Police Station scheme and sought Members approval to progress the project. Planning permission was issued on 17 August 2018 subject to 22 conditions, of which 10 had to be discharged prior to commencement. The redevelopment would be for 34 apartments, of which 20 would be private rent apartments and 14 affordable rent apartments to meet the 40% affordable housing requirement.

The current estimated cost was £8.3m as set out in section 6 of the report. Mitigation measures had been arranged to minimise the risk of: asbestos removal; ecology (bat); contamination; statutory services; planning conditions to discharge. The cost did not include project risks such as archaeology, ordinance, judicial review cost and de-contamination beyond the provisional sum allowance.

The Next steps were outlined in point 17.1 of the report with the ultimate completion and handover scheduled for 1 May 2020.

The PAG was advised that the business case estimated the development would break even in year 12 and start to turn a profit from there. Members agreed that this was an exciting project which would meet the Council's affordable housing aspiration and benefit residents.

It was clarified that a housing association would receive a management fee built in to the planned costs of approximately £60k and as part of that agreement the housing association would be responsible for any damage caused to properties.

Members queried the increase in cost prediction from June 2018. It was explained that the finalised figures included figures for dealing with the mitigation measures as noted above and a further contingency sum of £200k was included. It was added that a further asbestos survey would be completed to establish the extent and instruct removal measures. Thames Valley Police had agreed to pay up to £200k of any de-contamination costs.

The PAG was clear that overspend on the project should not occur unless absolutely unavoidable. The PAG was advised that once the agreement had been signed with the contractor the majority of risks then became their responsibility which would avoid unexpected cost increases to the Council.

## Resources Policy Advisory Group- 25 September 2018

It was explained that as it was intended that the property would be held in order to make a financial return, the Council were required to do this via a company. It was therefore proposed to dispose of the development to Consilio Property Limited, a wholly owned company set up by SBDC, once it was completed.

Having considered the advice of the Policy Advisory Group, the Portfolio Holder agreed to **RECOMMEND** to Cabinet:

1. To approve the final business case for the project.
2. That Members note the total proposed spend of £8.331m, which will be funded from the current approved Capital Budget for this scheme.
3. That the Head of Environment be authorised to conclude the delivery agreement between Wilmot Dixon and the Council for the construction phase.
4. That the Head of Finance be authorised to carry out the necessary agreements to obtain the loan finance.
5. That the Head of Environment be authorised to negotiate and conclude any necessary agreements to allow the development to proceed through to completion and note that the Head of Environment has exercised his delegated authority to make an application to the Secretary of Transport for a stopping up order pursuant to Section 247 of the Town and Country Planning Act 1990.
6. That the Director of Resources be authorised to dispose of the development to Consilio (the Council's wholly owned subsidiary).

*Note 2: Councillor Dhillon left the meeting at 7.01 p.m.*

### 49. **TREASURY MANAGEMENT – QUARTERLY REPORT QUARTER 1 2018/19**

Members received a report on the Treasury Management operation of the Council for April to June 2018. The Director of Resources summarised the positions as set out in pages 23 to 26 of the reports pack.

It was **RESOLVED** that Members noted the Treasury Management performance for Quarter 1 2018/19.

### 50. **EXEMPT INFORMATION**

**RESOLVED** that under Section 100(A)(4) of the Local Government Act 1972 the following item(s) 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

### 51. **BAD DEBT WRITE OFF REQUEST**

Members received a confidential report which sought Cabinet approval to write off a homelessness B&B debt as detailed in the confidential report. Due to the amount of debt involved, Cabinet approval was required to write off the sum.

A Member advised that the maximum nightly cost that Slough Borough Council paid for B&B accommodation was £80 and that South Bucks District Council should be aware of this to avoid being overcharged should similar situations arise in the future.

Having considered the advice of the Policy Advisory Group, the Portfolio Holder agreed to **RECOMMEND** to Cabinet:

1. To authorise the write-off.

The meeting terminated at 7.10 pm