

Cabinet

Monday, 1 June 2020

7.30 pm

Present:

Cllr John Burden (Chair)
Cllr Lee Croxton (Vice-Chair)

Councillors: Shane Mochrie-Cox
Lenny Rolles
Brian Sangha
Narinderjit Singh Thandi
Jenny Wallace

Stuart Bobby	Chief Executive
Nick Brown	Director (Housing & Operations)
Melanie Norris	Director (Communities)
Sarah Parfitt	Director (Corporate Services)
Jan Guylar	Head of Legal Services
Elizabeth Thornton	Service Manager (Property & Regulatory Services)
Andy Rayfield	Communications Manager
David Herrington	Digital Manager
Carlie Simmonds	Committee Services Manager

Note: Martin LeGrice and Jack Bergin, representatives of Jones Lang LaSalle, were also in attendance.

1. Minutes

The minutes of the meeting held on 23 March 2020 were signed by the Chair.

2. Declarations of Interest

Cllr Lenny Rolles declared an Other Significant Interest in agenda item 11 - The Charter (formerly Eastern Quarter) Regeneration Development due to his role as Chair of the Rosherville Limited Board. Cllr Lenny Rolles left the meeting during consideration of this item.

Melanie Norris, Director (Communities) also declared an interest in agenda item 11 - The Charter (formerly Eastern Quarter) Regeneration Development due to her role as a Director of the Rosherville Limited Board. Melanie Norris left the meeting during consideration of this item.

3. Delegated Decisions - Cabinet Members

Cllr Shane Mochrie-Cox advised that, following the Community and Leisure Cabinet Committee held on 3 March 2020, he had taken a delegated decision to adopt the Gravesend Borough Market Strategy 2020-2030.

4. Insurance Tender Update

Further to minute 62 (06.01.2020), Members were informed that a report was submitted to the Cabinet advising that the Council's existing insurance contract will expire on the 29 June 2020 and of the need for the Council to determine how cover for beyond this date should be procured. The intention was for the Council to continue discussion with the Local Government Mutual (LGM) and, subject to a satisfactory offer coming forward, seek to obtain a quotation for the Council's requirements from the LGM.

Since January, discussions had been ongoing with representatives from the LGM. The Council had shared relevant data with the LGM to enable it to assess the Council's cover requirements and prepare an offer for the Council to consider however there had been delays in the LGM presenting an offer for the Council to consider and in addition, since mid-March, there had been a need for Council resources to be focused on and deployed to delivering the Council's response to the Coronavirus pandemic.

These two events had resultantly required officers to revisit the procurement options for securing appropriate insurance protections for the Council from 30 June 2020.

Negotiations with the Council's existing insurance provider, Zurich Municipal, resulted in a proposal for the Council to secure ongoing provision of insurance cover from Zurich for a further two years with a percentage reduction on existing premium costs. This would enable the Council to reassess its insurance requirements in a further 18 months' time and consider its options for procurement at that time, which could again include an offer from the LGM.

In accordance with the Council's Constitution and with due regard to the Government's Procurement Procedure Note (PPN 01/20), the Director (Corporate Services) had agreed to a two year contract being put in place with Zurich Municipal to provide insurance cover for the Council from 30 June 2020 to 29 June 2022, with a further procurement exercise taking place at an appropriate time to seek provision for cover after this date.

The Cabinet noted the report.

5. Minutes of the meeting of the Gravesham Joint Transportation Board held on Wednesday, 11 March 2020

The Cabinet considered the minutes of the Gravesham Joint Transportation Board meeting held on Wednesday 11 March 2020.

6. Exclusion

Resolved that pursuant to Section 100A(4) of the Local Government Act 1972 that the public be excluded during the following items of business because it was likely in view of the nature of business to be transacted that, if members of the public were present during these items, there would be disclosure to them of exempt information.

All Members and officers in remote attendance declared that there were no other persons present who were not entitled to be (either hearing or seeing) and/or recording the proceedings.

7. Investment Opportunity – long term leasehold arrangement

The Cabinet was presented with a report which sought approval for the progression of the proposals outlined within the report in relation to an investment opportunity.

The Council had been approached by The Reef Group in late 2019 with regard to a potential development opportunity on the Greenwich Peninsular.

Initial due diligence had been completed by officers to ensure that the proposals put forward were in the best interest of the Borough, but also the Council as a whole, particularly in light of the COVID-19 pandemic. The Council had also sought external legal and financial advice to undertake an independent review of the proposals.

Detailed consideration was given to the information contained within the report and questions from Cabinet Members were put to and answered by officers and the external property consultants.

The Chair drew Members' attention to the recommendations detailed within the report and stated that, in order to provide additional time for all Members to raise any questions they might have in relation to the proposals, the intention would be for the recommendations to be slightly amended to allow for the Cabinet to delegate authority to the Leader to make the recommendations within a few days' time.

The Chief Executive also highlighted that the recommendations should state 'delegated authority' not 'delegated responsibility'.

Resolved that:-

Delegated authority be provided to the Leader to:-

- support the proposals for the Council to enter into the transaction as detailed in the report, subject to satisfaction of specific conditions as set out within the report;
- recommend to Full Council that delegated authority be given to the Chief Executive in consultation with the Leader, the Director (Corporate Services) (in the role of Section 151 Officer) and the Deputy Monitoring Officer to take all necessary practical, financial and legal actions required to determine viability of the project and take a final decision to proceed, including entering into the relevant formal legal agreements;

- recommend to Full Council that the Treasury Management Strategy Statement is updated to extend the existing Operational Borrowing Limit and Authorised Borrowing Limits to ensure there is sufficient capacity to support this investment.

8. The Charter (formerly Eastern Quarter) Regeneration Development

The Cabinet was presented with a report which:-

- provided an overview of progress with The Charter project;
- sought consideration of a request received from the Rosherville Limited Board to the Council, as Shareholder, to make available the necessary funding for the project; and
- sought delegated authority to continue the necessary practical, financial and legal actions required to determine viability of the project and take a final decision to proceed.

In June 2018, the Council entered into an Exclusivity Agreement with Reef Estates Limited to bring forward residential and commercial development proposals for land formerly known as the Eastern and Western Quarters of Gravesend Town Centre. The agreement was for a period of 24 months which could be extended by a further 12 month period.

Rosherville Limited, through its subsidiary Rosherville Property Limited, will appoint an entity within The Reef Group as its Development Partner under a commercial agreement to secure the planning permission and deliver on the proposed scheme. In order for this to take place, the Council will be required to advance a loan to Roshverille Limited to enable the development to be brought forward.

The report provided detailed information regarding the proposals for The Charter area (formerly the Eastern Quarter), which had been developed by Reef Estates Limited as part of the wider masterplan for the area. Reef Estates Limited submitted a planning application to the Council on 6 April 2020 setting out their proposals for The Charter, which was currently being considered.

The Council had sought external legal and financial advice to undertake an independent review of the proposals.

Detailed consideration was given to the information contained within the report and questions from Cabinet Members were put to and answered by officers and the external property consultants.

The Chair drew Members' attention to the recommendations detailed within the report and stated that, in order to provide additional time for all Members to raise any questions they might have in relation to the proposals, the intention would be for the recommendations to be slightly amended to allow for the Cabinet to delegate authority to the Leader to make the recommendations within a few days' time.

The Chief Executive also highlighted that the recommendations should state 'delegated authority' not 'delegated responsibility'.

Resolved that-

Delegated authority be provided to the Leader to:-

- support the proposals for delivering The Charter Project and for the issuance of a long-term loan to Rosherville Limited to ensure the delivery of the project, subject to satisfaction of specific conditions as set out within the report;
- recommend to Full Council that delegated authority be given to the Chief Executive in consultation with the Leader, the Director (Corporate Services) (in the role of Section 151 Officer) and the Deputy Monitoring Officer to take all necessary practical, financial and legal actions required to determine viability of the project and take a final decision to proceed, including entering into the relevant formal legal agreements;
- recommend to Full Council that delegated authority be given to the Director (Communities) in consultation with the Director (Corporate Services) (in the role of Section 151 Officer) to settle the terms and price of disposal of the associated land assets to Rosherville Limited for the purpose of bringing forward the proposed scheme;
- recommend to Full Council that the Treasury Management Strategy Statement is updated to extend the existing Operational Borrowing Limit and Authorised Borrowing Limits to £310.410m and £295.410m respectively to ensure there is sufficient capacity to support this loan;
- recommend to Full Council that an amount of £82m is added to the approved capital programme for 2020/21 for the purpose of providing long-term funding up to that defined level to Rosherville Limited as a means of delivering long-term economic benefits to the borough for both regeneration and community benefit.

Note: Cllr Lenny Rolles and Melanie Norris left the meeting during consideration of this item.

Close of meeting

The meeting ended at 9.04 pm.