



EPSOM AND EWELL

Minutes of the Meeting of the COUNCIL of the BOROUGH of EPSOM AND EWELL held at the Town Hall, Epsom on 19 September 2017

PRESENT -

The Mayor (Councillor Liz Frost); Councillors Michael Arthur, Tony Axelrod, Richard Baker, John Beckett, Kate Chinn, George Crawford, Hannah Dalton, Graham Dudley, Chris Frost, Rob Geleit, Eber Kington, Jan Mason, Barry Nash, Peter O'Donovan, Keith Partridge, David Reeve, Humphrey Reynolds, Guy Robbins, Clive Smitheram, Jean Steer, Alan Sursham, Peter Webb and Clive Woodbridge

Absent: The Deputy Mayor (Councillor Neil Dallen), Councillors Rekha Bansil, Steve Bridger, Alex Clarke, Lucie Dallen, Robert Foote, Omer Kokou-Tchri, Tina Mountain, Martin Olney, Jane Race, Vince Romagnuolo, Mike Teasdale, David Wood and Tella Wormington

13 DECLARATIONS OF INTEREST

No declarations of interest were made by councillors regarding the items on the Agenda.

14 EXCLUSION OF PRESS AND PUBLIC

The Committee resolved to exclude the Press and Public from the meeting in accordance with Section 100A (4) of the Local Government Act 1972 on the grounds that the business involved the likely disclosure of exempt information as defined in paragraphs 3 and 5 of Part 1 of Schedule 12A to the Act (as amended) and that pursuant to paragraph 10 of Part 2 of the said Schedule 12A the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

Note: Councillors were reminded of the need for confidentiality in respect of those items not considered in public

15 ESTABLISHMENT OF A LOCAL AUTHORITY PROPERTY INVESTMENT TRADING COMPANY

The Council received and considered a detailed and comprehensive report (exempt from publication at the date of the meeting) of the Chief Executive regarding the Establishment of a Local Authority Investment Trading Company.

It was **MOVED** by Councillor Eber Kington, **SECONDED** by Councillor Clive Smitheram and **RESOLVED** (without a division) that:

- (1) the Business Case for proceeding to establish a property investment company, as set out in this report be noted and accepted;**
- (2) the creation of Epsom & Ewell Property Investment Company Limited (“the Company”), to be limited by shares and wholly owned by the Council, in accordance with the arrangements described in this report be approved;**
- (3) the creation by the Strategy & Resources Committee of a Shareholder Sub-Committee, to which will be delegated the Council’s functions as sole shareholder of the Company be approved;**
- (4) the following Company documentation be approved:**
 - The Articles of Association for the Company;**
 - Shareholder Agreement between the Company and the Council including the first Annual Business Plan;**
 - Loan and draw down facilities to the Company;**
- (5) the following Company appointments be approved:**
 - Chief Executive as Chair of the Board of Directors;**
 - Head of Property as Managing Director;**
 - Head of Legal & Democratic Services, Head of Housing & Community Services and the Section 151 Officer as Directors;**
 - A solicitor, identified within the Legal Team, to undertake the Company Secretary function.**

- (6) the revised Property Investment Strategy 2017-20, governing the acquisition of all commercial property investment acquisitions made either by the Council directly or through a wholly owned property trading company of the Council, (attached at Annexe 1 to the report), be endorsed;
- (7) the extended remit of the Investment Property Group (IPG) to include any property investment acquisitions made through a wholly owned trading company of the Council (in compliance with the Property Investment Strategy 2017-20) be endorsed;
- (8) supplementary capital expenditure for property acquisitions of up to £300m based upon £100m of borrowing commencing in 2017/18 and £100m in 2018/19 and £100m in 2019/20 be approved;
- (9) the revised set of prudential indicators, set out in Annexe 3 which include the operational boundary and authorised limit for external borrowing be approved to supersede those in the Council's existing Treasury Management Strategy approved by full Council on 25 April 2017.

16 COMMERCIAL PROPERTY ACQUISITION

The Council received and considered the report (exempt from publication at the date of the meeting) of the Head of Property regarding the acquisition of a commercial property.

It was **MOVED** by Councillor Eber Kington and **SECONDED** by Councillor Clive Smitheram that:

"The Council:

- (1) *Note the Acquisition Business Case attached as an Annexe to the report and authorise the necessary loan to, and investment in, the Company to enable the Company to purchase the property referred to therein to enable sale contracts to be exchanged forthwith;*
- (2) *Agree for the Company to opt to tax the property for the purposes of VAT;*
- (3) *Delegate authority to the Acting Director of Finance and Resources to conclude any final Council loan arrangement details to enable purchase of the property by the Company"*

Upon being put, it was **RESOLVED**, there being 21 members in favour and 2 against, that:

- (1) the Acquisition Business Case attached as an Annexe to the report be noted and the necessary loan to, and investment in, the Company be authorised to enable the Company to purchase the property referred to therein to enable sale contracts to be exchanged forthwith;

- (2) the Company should opt to tax the property for the purposes of VAT;**
- (3) authority be delegated to the Acting Director of Finance and Resources to conclude any final Council loan arrangement details to enable purchase of the property by the Company**

The meeting began at 8.17pm and ended at 8.41pm

LIZ FROST
MAYOR