

Executive

Minutes of the meeting held on Wednesday 20 April 2016 at the Town Hall, Royal Leamington Spa, following the conclusion of Council at 8.00 pm.

Present: Councillor Mobbs (Chairman); Councillors Coker, Cross, Gallagher, Grainger, Phillips, Shilton and Whiting.

Also present: Councillor Barrott (Chair Finance & Audit Scrutiny Committee), Councillor Boad (Chair of Overview & Scrutiny Committee & Liberal Democrat Group Observer) and Councillor Mrs Falp (Whitnash Residents' Association Group Observer).

An apology for absence was received from Councillor Phillips.

144. **Declarations of Interest**

There were no declarations of interest

Part 1

(Items on which a decision by Council is required)

None

Part 2

(Items upon which the approval of the Council is not required)

145. **Council HQ Relocation and replacement Covent Garden Car Park Project – Part A**

The Executive considered a report regarding the Council HQ Relocation and replacement Covent Garden Car Park Project.

Executive and Council had received a series of reports, over a period of years, examining the principle of a relocation of the Council's HQ offices from the current Riverside House site. The current HQ building was larger than the Council needed, costly to adapt to facilitate modern ways of working, difficult to modify to generate revenue savings and in need of considerable capital investment that was currently unfunded. The previous reports, therefore, considered how relocation could assist the Council to deliver a number of complementary objectives: the realisation of revenue savings already built-in as commitments within the Council's Medium Term Financial Strategy; the avoidance of future, unfunded, capital investment in the current building; the use of a relocation to support the local economy and/or stimulate new development within Leamington; redevelopment of the Riverside House site as a brownfield housing development as included within the modified Local Plan; and to ensure the Council had a HQ asset that was fit for purpose and able to support service delivery in a rapidly changing environment.

Since its inception and initial approval, the relocation project had been progressed by officers working in conjunction with the Warwick Limited Liability Partnership (LLP). The LLP, formally the PSP Warwick LLP, was

established by the Council in 2013 as a joint venture vehicle with Public Sector Partnerships (PSP) in order to assist the Council to manage and develop its asset portfolio and to unlock complex regeneration and development projects such as this one.

In September 2015 Executive examined a shortlist of potential relocation sites within Leamington, including an option of refurbishing the existing HQ building, and determined that its preferred option was the comprehensive redevelopment of the current site of the Council's Covent Garden car parks (surface and multi-storey) which would include the construction of the Council's new HQ offices and new car parking in lieu of the existing provision. Executive agreed that the LLP should undertake a detailed feasibility and viability assessment of the preferred option with a further report on the outcome of these studies, including an external validation of the LLP's proposals, being brought back to Members. It should be noted that the relatively recent requirement to consider the replacement of the Covent Garden multi-storey car park had added another key dimension and focus to this overall project.

This report set out the outcomes of those detailed assessments and proposed that the project should be approved and progressed to a delivery phase. It included a request for temporary project resource to work with the LLP on the next stages of the project, in accordance with the principles underpinning the new structure for project management, as approved by Employment Committee in March. Additionally, it was proposed to establish a Members' reference group to oversee the next stages of the scheme.

The proposed relocation project was complex, involving the comprehensive redevelopment and regeneration of a key town centre site and the linked housing-led development of another, edge of town site. Inevitably, with a project of this scale and complexity there would be both legally privileged and commercially sensitive information that needed to remain private and confidential. Where such material had been identified it had been placed within the confidential report. However, every effort had been made by the Council to place as much information as possible in the public domain, via this item.

Following the Executive decision, in September 2015, to select Covent Garden as the preferred site for a new Council HQ, constructed as part of a larger, comprehensive development of the site, officers had been working closely with the LLP on detailed feasibility and viability assessments of this preferred option. The LLP had developed a detailed project proposal, set out at Appendix One to the report. The version of the document attached to the report had been modified to remove any commercially sensitive information, albeit such removals had been minimised. A full version of this document was available at Appendix One of the separate confidential report.

The project proposal involved two linked sites; Riverside House, which would be released for development in two phases, and the site of the current Covent Garden car parks. The Covent Garden redevelopment would comprise of a new office building of 26,100 sq ft net internal area (NIA) for occupation by the Council as its new HQ, a replacement multi-storey car park of 650 spaces and a residential block of approximately 30,000 sq ft for sale to the

market. The Council would retain the freehold of the whole of this site. The Riverside House site would be redeveloped for housing with the whole of the site being sold by the end of the project. A first phase of development on the upper car park would be brought forward immediately, with the remainder of the site only being developed once the new office building has been completed and occupied and the existing HQ building demolished.

Careful consideration had been given to the size of the proposed 650 space multi-storey car park, which would replace the existing car parking provision on the Covent Garden site, to ensure that this would not compromise the off-street car parking capacity needed within the town centre to maintain its economic vitality and vibrancy and to ensure that this capacity was sufficient for both current and the likely future demand. This was explored further within the report and the financial impacts of the proposals were also considered in the report and the separate Part B report. The implications of the Council's car parking proposals, liaison with stakeholders and wider community engagement were also considered.

The LLP's proposal noted that a third site, the current Chandos Street car park, could be linked to the project. However, for commercial reasons considered in the Part B report and in recognition that substantial further work would be required to establish the optimum mix of uses for redevelopment of this site, it was not considered appropriate to bring forward a proposal that was contingent upon its inclusion within this project. Nonetheless, the Council would retain the option of utilising any capital receipt realised by the redevelopment of the Chandos Street site at a future date to contribute towards the funding of this project.

The basis of the LLP's proposal was as follows:

- the Council would vacate the Riverside House site and sell the site for housing;
- the LLP would seek a suitable development partner for the Riverside House site which would be developed in two phases, with the Council's current HQ building only be vacated when a new HQ building was available;
- the Council would close the existing 81 space surface car park and the 511 space multi-storey car park at Covent Garden;
- the LLP would bring forward a comprehensive redevelopment and regeneration of the Covent Garden site;
- this would include the LLP constructing a new, Council-owned, HQ building funded by the receipt of the sale of the Riverside House site and the sale of housing units constructed at the Covent Garden site as enabling development;
- the LLP would also fund the demolition of the existing Covent Garden multi-storey car park and provide a new 650 space Council-owned multi-storey car park on the site, funded by the Council;
- the Council would work with the LLP to specify and design the new office building and multi-storey car park. The HQ office specification would include provision of a 24 hour, operational control room and a Council chamber, allowing for these activities to be relocated from the Town Hall and Acorn Court;
- the LLP would design and develop the new residential block at Covent Garden (directly or in joint venture) to be built concurrently with the

other elements of the proposed comprehensive redevelopment of the site;

- all elements of the project would be delivered by the LLP; and
- the project would be delivered in two phases, Phase 1 being further feasibility and design work and the securing of all necessary consents and legal agreements and Phase 2 being the full implementation and construction work.

An indicative timeline was set out, at Appendix Two to the report, and provided for the new HQ office building and the new multi-storey car park to be operational by October 2018.

The governance structure of the LLP consisted of an Operations Board, comprised of PSP and WDC officers (currently the Corporate Management Team, Head of Finance and one of the Senior Project Coordinators) who discussed and developed project proposals which were then presented to a Members Board for approval. The Members Board was made up of six people with equal representation for both partners. The Council members of the Board were currently the Leader, along with the Finance and the Development Portfolio Holders.

When establishing the LLP the Council put in place a 'double-lock' on decision making. For a LLP project to proceed it had to receive approval from both the LLP Members Board and the Council's Executive (or Council depending on the nature of the decision required).

The LLP Members Board met on 24 March 2016 and approved the project proposals as set out at Appendix One to the report. The report sought the Council approval for the second part of the 'double-lock'.

As part of their approval process the LLP Members Board agreed a formal resolution on how it would deliver phases 1 and 2 of the project and how these would be funded. This resolution, seeking two signatories from PSP and two from the Council, was set out at Appendix Three to the report.

Recommendation 2.3 sought approval for the Leader of the Council and Finance Portfolio Holder to sign the resolution, committing the Council (as joint partners in the LLP) to the project proposals, set out in Appendix One to the report, and the funding of Phase 1 of the project.

The approval of recommendations 2.2 and 2.3 to the report, allowing for the signature of the resolution by the Council, would allow the LLP to secure project funding from PSP. An initial project budget of £1,175,000 would be committed to fund the detailed design work for each element of the project (in addition to the LLP's £50,000 expenditure on this project to date), the cost of securing the necessary planning permissions, any other necessary consents and all associated costs, for example, the completion of a suite of legal agreements.

In committing to the project, Members needed to be aware that the Council would become liable for all expenditure committed by the LLP on the development of Phase 1 of the project, of the £1,175,000 set out in this report, in one of two circumstances.

The two circumstances were if the Council were to unilaterally withdraw from the project at a future date (this provision would also apply to PSP if it was to unilaterally withdraw from the project and it would become liable for all expenditure incurred in full); or if, after committing to the project, the Council sought changes to the project that had a material impact to the project criteria and the project became unviable as a consequence.

Should it be determined that the project was unviable, despite the reasonable endeavours of both parties represented in the LLP, then all expenditure would cease and the actual expenditure committed to that point (up to the maximum £1,175,000) would be considered as a loss to the LLP. This meant the Council would be fully insulated from any liability for these abortive costs, which would sit on the balance sheet of the LLP.

The terms of the respective responsibilities for the future treatment of any abortive costs associated with Phase 1 of the project were set out in the Commercial Principles contained within Appendix Three, of the report.

Subject to the Council approving the recommendations in the report and committing to the LLP's development strategy, the project would be delivered in two phases as described above. At the completion of Phase 1 a further report would be presented to Members, at a future date during 2017, seeking final approval to commit to Phase 2, the delivery phase of the project.

Phase 2 would require the LLP to commit a further estimated project budget of £24,540,000. The Council would be required to make a financial contribution estimated at this stage at £9,750,000 to this total Phase 2 budget, this being the sum required to deliver the new 650 space multi-storey car park; the detailed financial modelling of which could be found in Section 9 of the report.

Phase 2 of the project would involve the completion of the comprehensive development of the Covent Garden site, comprised of the new HQ office building, new multi-storey car park and enabling housing development and the disposal and phased development of the Riverside House site.

In making the commitment to the project, Members' attention was drawn to the fact that, whilst the final commitment to Phase 2 would require a further 'double-lock' decision by both the LLP Members Board and the Council, the provisions of 3.4.2 would be invoked if the Council decided to unilaterally withdraw from a project that the Phase 1 work had demonstrated was viable.

In making their future decision on the Phase 2 commitment, Members would be able to review the full suite of legal documents prepared during Phase 1 and would have the benefit of the knowledge that the necessary planning permissions and any other consents had already been obtained.

Further information on the PSP Warwick LLP was set out in section 8 but the LLP was specifically created as a vehicle to advance and unlock complex development projects and identify innovative ways to create added value to ensure their delivery. Integral to its establishment was the core principle that

any project that was to be delivered through the LLP vehicle had to be independently validated and demonstrated to outperform any other potential delivery option available to the Council.

These validation exercises had in the past involved independent commercial valuations, undertaken by appropriate 'experts', being commissioned by the LLP on terms agreed by the Council. Work on project costings was undertaken by the global design and consultancy firm Arcadis and an examination of developer profit and interest figures by Blackmoors Property Consultants. This latter work was corroborated by an in-house examination of the likely developer return rates advised to the Council by a number of different independent professional sources over the last 18 months in connection with specific residential and retail schemes within the area.

In respect of this project the Council had agreed with PSP that the individual pieces of work commissioned with appropriate external expert commentators would be reviewed by CIPFA who would present the final evaluation report. PSP had established LLPs with 11 English councils (with a further four at an advanced stage of development and awaiting Member approval of their establishment) but this was the first time that any project undertaken by any of those LLPs on behalf of its respective council has been subject to this additional level of scrutiny and validation. Discussions with PSP indicated that this model of evaluation would be deployed nationally in future.

The CIPFA evaluation, a copy of which was contained within the separate part B report, examined; A 'do nothing' option; the LLP option; the option of the Council procuring the work itself; and other private sector options. However, it should be noted that despite PSP establishing LLP structures with 11 other councils, no other directly comparable LLP model had yet to emerge in the market place.

In addition, and again new for this particular evaluation process, CIPFA were also specifically instructed to provide a 'high level view on the reasonableness of the proposals and whether the proposition itself was something that an authority might reasonably enter into'.

Having examined the independently commissioned appraisals CIPFA's conclusions were *"That, of the options presented, the LLP option would provide the highest financial return to the Council. That, with regard to the three main risk factors mentioned in the evaluation reports (cost escalation, market value on disposal and time delays), the LLP option appears the most robust. That, having considered the information available to us, we are of the opinion that this is an acceptable proposal and that the LLP route is the best option (subject to financial viability) for the Council to move forward with this project."*

The Council had sought a legal evaluation of the proposal to ensure that it was considered lawful and a reasonable exercise of the Council's powers. This had been undertaken in two parts; an assessment by Anthony Collins solicitors, commissioned by the LLP on behalf of both partners (thereby ensuring a duty of care to the Council) and a separate assessment by the Council's own legal advisors at Warwickshire Legal Services (WLS). These

two reports were legally privileged and, therefore, confidential, so were set out in full in the separate Part B report.

The Anthony Collins assessment had considered each element of the LLP proposal from a vires (powers) and an EU procurement perspective, including an assessment of VAT and SDLT tax implications, and separately considered the proposal as a whole from a State Aid perspective. Their overall conclusion was *"There will be some processes that should be followed to enable the project to proceed. These include going through "exceptional circumstances" processes permitted by the Council's Code of Procurement Practice; ensuring that the business case for the car park is robust for recovery of costs of borrowing, construction and operation; and seeking detailed tax advice at e4 stage. None of these present insurmountable obstacles to the Project proceeding."*

The assessment from WLS similarly concluded that there were no legal barriers which should prevent the Council progressing the project in the terms proposed and that the validation work undertaken by CIPFA and others assisted the Council in demonstrating that it has met its duty to obtain best value by proceeding with this project. The legal implications and risks arising from this complex project, and the strategy for their management, were addressed in more detail in the WLS advice note in the Part B report.

WLS had noted that the pre-construction works, which formed part of the project to be undertaken by the LLP and PSP, were estimated to be in the region of £0.5m and £0.75m. WLS agreed with the advice of Anthony Collins that there was a business case for not tendering those works which satisfied the requirements of the Council's Procurement Code of Practice, since these works were integral to, and could not be separated from, the rest of the project proposals.

The LLP Members Board resolution, set out at Appendix Three to the report, contained a document setting out the Commercial Principles, agreed by the Council and PSP members of the Board. These principles would underpin the development of a formal project agreement between the Council and the LLP, giving the latter the necessary legal options it required to deliver the project.

It was not possible to agree the project agreement at this stage as the initial project budget could not be committed by the LLP until the recommendations within this report were considered by the Council. Subject to the approval of those recommendations, the project budget would allow the LLP to commission specialist tax advice on the optimal structure of the necessary land deals that would underpin the legal agreements minimising the costs of any VAT or SDLT tax implications to both parties.

It was, therefore, recommended that delegated authority was granted to the named officers, in consultation with the named members within recommendation 2.6 to agree the legal agreements after this advice had been secured and assessed, provided that the final agreements were consistent with the Commercial Principles.

In the unlikely event that the final form of the proposed agreements required a revision to the Commercial Principles, approval would be sought for a variation from both the LLP Members Board and the Executive under the 'double-lock' arrangement.

The proposed project would have unprecedented significance for the Council, delivering major development and regeneration within Leamington but also delivering a new HQ building capable of supporting different ways of working across all aspects of service delivery for the future.

It was, therefore, proposed to establish a Member Reference Group to work with, and provide guidance to, officers as the project developed. In recognition of the importance of the project to all members of the Council it was proposed that this group should include all the political Group Leaders in addition to the Leader of the Council and the Finance and Development Portfolio Holders, as the Council's representatives on the LLP Members Board.

In addition to its importance to the Council, the project proposals would have significant implications for the town centre and would consequently be of interest to a wide range of stakeholders and the wider community. The Council's previous decision on its preferred option site received strong support from the business community and other stakeholders keen to see the Council's HQ (and the spending power of its workforce) remain within the town centre. However, those same stakeholders would, naturally, wish to be reassured that the proposed changes to the car parking provision at Covent Garden and the potential wider implications of any future proposals in respect of the Chandos Street site were equally beneficial to the town centre.

Those District Council members representing Leamington wards had already been briefed (with a few exceptions, where individual catch-up sessions had been offered) on the establishment of a Leamington Town Centre Forum to discuss the issues affecting the town centre and formulate a Vision that could be approved by and consulted on by the various stakeholders represented on the Forum. Similar briefings had been held for Town Councillors and County Councillors with Leamington wards. Car parking provision would be one of the key issues that the Forum would be discussing.

The importance of stakeholders being reassured that the proposed new 650 space multi-storey car park would be sufficient for the town centre's current and future off-street car parking capacity needs was critical and it was proposed that, in addition to the work being undertaken by the Forum, the Member Reference Group co-ordinated a programme of early officer engagement with key stakeholders, for example, the Town Council, Chamber of Trade, Leamington Business Improvement District (BID), and the managers of the Royal Priors and Regent Arcade shopping centres.

The stakeholders and the wider community would wish to understand what arrangements could be made during the delivery phase of the proposed project to ensure the maximum level of car parking provision could be maintained and any potential disruption to the public minimised. Further work on potential additional temporary provision would be required and this would be undertaken as part of the Phase 1 project works arrangements.

This would need to be communicated to stakeholders and this engagement, and subsequent community engagement and communications on alternative provision, would be overseen by the Member Reference Group.

The financial and viability appraisals set out in the Part B report had considered the impact of differing levels of affordable housing provision coming forward at the Covent Garden and Riverside House sites.

The Council's policy on Affordable Housing was for 40% provision on urban sites of 0.25 hectares or more or on sites where more than ten dwellings were proposed, a threshold that would encompass both the proposed development sites. However, Members would also be aware that where there were material considerations that justified a departure from planning policy, planning permission could be granted subject to a requirement for Affordable Housing that was lower than 40%. Such considerations could include the fact that a development would deliver benefits in planning terms, but would not be financially viable if it had to provide 40% Affordable Housing. Normally, viability was tested through an expert evaluation of the financial appraisal of the scheme.

The proposed project would deliver significant community benefits - cost efficient council offices, delivering savings to the public purse and a new multi-storey car park to support the parking needs of the town centre, but there would be exceptional costs attached to them. The modelling undertaken to date suggested that the project could deliver a level of affordable housing in the range of 20-37% and remain viable, but the exact figure could not be determined until further detailed work was undertaken during Phase 1 of the project.

It was therefore proposed that the Deputy Chief Executive (BH) and Head of Finance, in consultation with the Member Reference Group, were authorised to agree the terms of the planning applications to be submitted by the LLP, which would include a proposal for the provision of Affordable Housing at a level that did not make the development unviable. This decision was wholly without prejudice to the determination of the Council, in its capacity as Local Planning Authority, as to the terms of any planning permission that could be granted.

On 24 March 2016 the Employment Committee approved service re-design proposals for the Prosperity agenda and on 6 April 2016 the Executive approved the funding required to implement the new structure. The re-design included consideration of the staffing resources devoted to Project Coordination and Organisational Development and brought forward proposals to consolidate the resource devoted to major corporate projects within a single team and provide an amended focus for work on feasibility projects and the development of business cases, maintaining the Council's capability to pursue its current level of aspiration. As the previous reports made clear, the proposal was underpinned by the need for the resultant business case(s) to include proposals for the level of, and funding for, the temporary project management resource required for the delivery phase of approved projects.

The LLP's project proposal was that PSP's project management resource would be used for the delivery of the Covent Garden redevelopment. That

phase of the project would only proceed after the detailed preparatory work during Phase 1 of the project and the approval of the unconditional agreements and associated funding necessary for Phase 2. Up to that point Council officers would need to continue to work closely with PSP colleagues on the preparation of the necessary agreements and the design and specification of the new HQ building and the design, specification and funding of the new multi-storey car park.

It was recommended that a maximum commitment of £53,600 was made from the Contingency Budget to fund a temporary project management resource to work with the LLP on the next phase of the project. This sum was equivalent to the annual cost of a grade B post. It was considered a maximum figure, as although this next phase of project work might take slightly longer than 12 months, it was possible that it could be delivered by a part-time resource and that the grading for the post might be assessed by the HAY Panel below the assumed B grade. Subject to approval of recommendation 2.10, an appropriate job description and person specification would be assessed by the HAY Panel. It was likely that further temporary Council project management resource would be required to take this project forward through to its next Phase 2 delivery stage. The cost of this was likely pro-rata to the £53,600 figure, and would be only be reported back for further consideration as part of the next Executive report if it could not be resourced within the robust £8.6m new office budget

The Joint meeting of the Finance & Audit and Overview & Scrutiny Committees supported the recommendations in the report. They also recommended that the Executive should seek to maximise the amount of affordable housing up to 40% before any disbursement of profit to the two partners.

The Leader of the Executive drew attention to the Executive of an addendum circulated at the meeting that informed them the risk register associated to the project had been modified to remove any commercially sensitive information. These risks were detailed in an appendix seven of the confidential report to the Executive.

The Leader proposed the recommendations as set out in the report, and that the recommendation from the Joint meeting of the two Scrutiny Committees be rejected because of the following reasons:

- there was adequate protection on the affordable housing issue already;
- Recommendation 2.8 proposed establishing a Member Reference Group on which all groups would be represented;
- Recommendation 2.9 delegated authority to officers, in consultation with the Member Reference Group, to agree the terms of the planning applications the LLP would submit;
- the Member Reference Group would be fully aware of the Council's policy position on affordable housing and would make its judgements in light of it;
- the planning applications would be determined before the Council made a decision on committing to phase 2;

- Planning Committee would make a decision on any applications, approved by the Member Reference Group, submitted with less than 40% affordable housing, as normal;
- the LLP was committed to delivering a policy compliant scheme and the intention of the phase 1 work would be to examine whether this was possible and viable;
- part of this examination would be to determine whether the Council foregoing its final profit share would assist in delivering a higher proportion of affordable housing; and
- It was therefore unwise to fetter the LLP's discretion by adopting this recommendation given that this protection was already in place.

Resolved that

- (1) as much information as is reasonable and realistic has been set out within this report but that some further information, which is either legally privileged and/or commercially sensitive is contained within the separate Part B report elsewhere on this agenda and that the two reports should be read and considered in conjunction to allow a fully informed decision on these recommendations, be noted;
- (2) the development strategy contained within the LLP's proposal document (dated December 2015 and updated as v6 dated 15 February 2016), set out at Appendix One, be adopted, the essential elements of which are:
 - (a) the sale of the Riverside House site for housing, allowing the Council to vacate the site and relocate to a new HQ after completion of that building;
 - (b) the construction of a new Council-owned HQ office building on the Covent Garden car park site funded by the receipt of sale of the Riverside House site and enabling development at the Covent Garden car park site;
 - (c) the decommissioning of the current 81 space surface car park and the demolition of the existing 511 space multi-storey car park at Covent Garden and the provision of a new 650 space council-owned multi-storey car park funded by the Council;
 - (d) the inclusion within the new HQ building of a 24 hour, operational control room and a Council chamber, allowing for these activities to be relocated from the Town Hall and Acorn Court;

- (e) the delivery of the project by the Council's LLP ("PSP Warwick LLP");
 - (f) the delivery of the project in two Phases, Phase 1 being the feasibility work described in paragraphs 3.2.5 and 3.4.1 of this report and Phase 2 being the full implementation work described in paragraphs 3.5.3 of this report; and
 - (f) the indicative project timeline attached at **Appendix Two.**
- (3) the Leader of the Council and the Finance Portfolio Holder, be authorised to sign the LLP Members Board resolution, set out at **Appendix Three to the report**, on behalf of the Council;
 - (4) in committing to the project, the Council would be liable to repay all costs of expenditure on Phase 1 of the project, to be funded by PSP, up to a maximum of £1,175,000, should the Council unilaterally withdraw from, or seek to vary, the project in the circumstances described in the Commercial Principles document attached at **Appendix Three to the report**;
 - (5) the final decision to commit to Phase 2 of the project will be made by the Council in 2017 to approve the Council's contribution of £9,750,000 (to fund the new car park at Covent Garden) towards a full LLP project budget estimated at £24,540,000;
 - (6) the detailed feasibility and viability appraisals of the LLP proposal, undertaken internally and also externally by legal, financial and commercial specialists, as set out in sections 3 and 5 of the report and the separate, confidential report, be noted, and that the information within these appraisals and this provides the business case for not tendering the pre-construction works, to be undertaken by the LLP and PSP during Phase 1 of the project, which, with an estimated value of £0.5m-£0.75m, fall substantially below EU threshold, be approved;
 - (7) authority be delegated to to the Deputy Chief Executive (BH) and Head of Finance, in consultation with the Leader of the Council and the Development and Finance Portfolio Holders, to:

- (a) enter into legal agreements between the Council, the LLP and PSP, on terms consistent with the Commercial Principles document contained within Appendix Three to the report, in order to give effect to Phase 1 of the project; and
 - (b) ensure such agreements include a project agreement between the Council, the LLP and PSP, and a conditional option agreement from the Council to the LLP in respect of the Riverside House site, which shall only be capable of triggering the disposal of the Riverside House site in the event that the project proceeds to Phase 2;
- (8) a Member Reference Group, comprising of the Leader of the Council, the Finance, Development and Neighbourhood Services Portfolio Holders and the Leaders of the Labour, Liberal Democrat and Whitnash Resident Association (Independent) Groups, be approved, to provide guidance to officers as the project develops and to co-ordinate community and stakeholder engagement.;
- (9) authority be delegated to the Deputy Chief Executive (BH) and Head of Finance, in consultation with the Member Reference Group, to agree the terms of the planning applications to be submitted by the LLP in respect of the development proposals for the Covent Garden and Riverside House sites;
- (10) the release of a maximum £53,600 from the Contingency Budget, be approved, to fund a temporary project manager post to work with the LLP on the next stages of the project and to agree the office and car park specifications, with any unused budget allocation being returned to the Reserve; and
- (11) the recommendation from the Joint meeting of the Scrutiny Committees be rejected for the reasons outlined above.

(The Portfolio Holders for this item were Councillors PH Cross, Mobbs Shilton and Whiting)

Forward Plan reference Number 742

146. **Public and Press**

Resolved that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following item by reason of the likely disclosure of exempt information within the paragraphs of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006, as set out below.

Minute No.	Para Nos.	Reason
147	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
147	5	Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

(The full minutes for the following item will be detailed within the confidential minutes for this meeting.)

147. **Council HQ Relocation and replacement Covent Garden Car Park Project – Part B**

The Executive considered a report regarding the Council HQ Relocation and replacement Covent Garden Car Park Project.

The Joint meeting of the Finance & Audit and Overview & Scrutiny Committees supported the recommendations in the report

The recommendations of the report were agreed and the amended confidential risk register circulated on the evening was noted.

(The Portfolio Holders for this item were Councillors Cross, Mobbs, Shilton and Whiting)

Forward Plan reference Number 742

(The meeting ended at 8.20pm)