

MINUTES of the meeting of the **STRATEGIC INVESTMENT BOARD** held at 10.00 am on 25 June 2019 at County Hall, Kingston upon Thames, Surrey KT1 2DN.

These minutes are subject to confirmation by the Committee at its meeting on Thursday, 24 October 2019.

Elected Members:

(*Present)

- * Mr Mel Few
- * Dr Zully Grant-Duff
- * Mr Colin Kemp
- * Mr Tim Oliver

In attendance

Cllr Edward Hawkins	
Leigh Whitehouse	Executive Director of Resources
Anna D'Alessandro	Director of Corporate Finance
Julian Wain	Senior Property Advisor
Nick Fowles	Asset Manager
Sonia Sharma	Strategic Finance Manager
John Stevens	Interim Property Investment Portfolio
Andrew Peacock	Advisor
CBRE	

1/19 APOLOGIES FOR ABSENCE [Item 1]

An apology for lateness was received from Dr Zully Grant-Duff who arrived at 10.12am.

2/19 MINUTES OF THE PREVIOUS MEETING [Item 2]

The Minutes of the previous Investment Board and Shareholder Board were dealt with in Part 2 of the meeting.

3/19 DECLARATIONS OF INTEREST [Item 3]

There were none.

4/19 ANNUAL SHAREHOLDER BOARD REPORT [Item 4]

The Board considered the Annual Shareholder Board report. As part of its strategy to innovate in developing new models of delivery and to benefit from the freedoms introduced by the Localism Act, Surrey County Council had made investments and created trading companies to deliver income and efficiencies and in doing so had established a Shareholder Board, which reports annually to the Council. The purpose of the Board was to safeguard the council's interest as shareholder and to take decisions in matters that require the approval of the Council as owner of a company.

RESOLVED:

That the Annual Shareholder Board report be endorsed.

The Strategic Investment Board RECOMMENDS that the County Council:

Notes the Annual Shareholder Board report:

Reason for decision:

To inform the Council about the activities of the Shareholder Board.

The Shareholder Board has been established in accordance with best practice governance to ensure effective oversight and alignment with the strategic objectives and values of the council.

5/19 CBRE ADVISOR REPORT [Item 5]

The board received updates on the market and the Council's portfolio by way of a presentation from CBRE. Opportunities and risks around the portfolio were discussed. It was noted that an upcoming workshop around the future strategy for the investment portfolio could be tailored to include specific issues.

Resolved:

To note the market and portfolio update from CBRE.

6/19 ASSET MANAGEMENT UPDATE - NEXUS [Item 6]

The Board received a verbal update from the Asset Manager that he was expecting legal documents to be agreed by the end of the week. Part of the third floor was vacant and being marketed but there had been no interest in it as yet. He also reported that the air conditioning would be fixed when the refit was finished on the second floor.

The Senior Property Officer reported that a s.278 agreement was still awaited and requested the Leader speak with the Leader at West Sussex to move it along.

RESOLVED:

1. That the verbal update on Nexus be noted.
2. That the Leader would speak with the Leader at West Sussex regarding the s.278 agreement.

Reason for decision:

To expedite the s.278 agreement.

7/19 RANGER HOUSE, STATION APPROACH, GUILDFORD [Item 7]

The Board considered a report on Ranger House which explained how Guildford Rail Station was set to be redeveloped by Network Rail (NRIL). Ranger House currently had the benefit of 71 spaces in the Station Car Park.

Under the terms of the lease if NRIL required this area as part of the redevelopment, it is only obliged to provide 48 spaces in an alternate location. Surrey County Council (SCC) would then need to source 23 parking spaces in the local vicinity, in order to meet its lease obligations to the tenants of Ranger House.

Separately, it had become apparent that the proposed NRIL development plans encroach on a protected Station Piazza area in front of Ranger House. SCC have reached agreement whereby it will amend the Station Piazza covenant to allow this building encroachment, in favour of retaining the full allocation of 71 car parking spaces on the same terms as the current lease.

It was reported that the covenant was in place because under the current layout the Piazza provided access to the Station. The Ranger House car parking spaces will be moved to a temporary location within the vicinity whilst the station redevelopment works are undertaken.

RESOLVED:

1. That approval be given to the agreement with Network Rail, under which the Council will vary the Station Piazza covenant and receive the benefit of 71 parking spaces on the same terms as the current lease.
2. That solicitors document the agreement, with the Council's legal costs being covered by Network Rail.

Reasons for decision:

Taking into account the extent of the wider Station redevelopment, the additional effect to Ranger House of NRIL building on the encroached Station Piazza area is not deemed significant.

In the short term the agreement avoids SCC having to lease 23 spaces at an alternate location in order to satisfy tenant lease obligations. In the medium/long term SCC will benefit from the full allocation of 71 spaces within the Station Multi-Storey Car Park. This will have meaningful value to Ranger House.

8/19 EXCLUSION OF THE PUBLIC [Item 8]

RESOLVED: That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting during conversation of the following items of business on the grounds that they involve the likely disclosure of exempt information under paragraph 1 of Part 1 of Schedule 12A of the Act.

9/19 ASSET MANAGEMENT UPDATE: DEBENHAMS WINCHESTER [Item 9]

The Asset Manager verbally updated the Board that feasibility work was being undertaken to review the strategic options for the site. This will be reported on further at the Board meeting in September 2019.

RESOLVED:

That the update be noted.

10/19 SHAREHOLDER BOARD MINUTES - (25 APRIL 2019) [Item 10]

RESOLVED:

The Part 2 Minutes of the Shareholder Board of 25 April 2019 were agreed as a correct record.

11/19 INVESTMENT BOARD MINUTES (20 MAY 2019) [Item 11]

RESOLVED:

The Part 2 Minutes of the Investment Board of 20 May 2019 were agreed as a correct record.

12/19 PUBLICITY FOR PART 2 ITEMS [Item 12]

RESOLVED:

It was agreed that non-exempt information may be made available to the press and public, where appropriate.

Meeting ended at: 10.51 am

Chairman