

STRATEGIC INVESTMENT BOARD, 17 FEBRUARY 2025

Item: Ranger House, Guildford Sale & Refurbishment

Resolved:

1. That the Strategic investment Board approves the sale of Ranger House to Surrey Property Group (previously known as Halsey Garton Property Investment Ltd (HGPI), in accordance with the red book valuation dated 29 January 2025 and delegated authority to be given to the s.151 Officer to agree that amount.
2. That the Strategic investment Board approves the provision of a loan by the Council to Surrey Property Group (SPG), secured against the Ranger House property, to partly fund SPG's purchase and redevelopment of the property. Delegated authority to be given to the s.151 Officer to agree the loan details.
3. That the Strategic investment Board approves gives the SPG Board delegated authority to proceed with required refurbishment works to provide suitable accommodation to lease out to third parties for the purposes of maximising income for revenue generation purposes and maximising capital value of the asset once it is fully let.
4. That the Strategic investment Board notes that all of the above are subject to separate agreement by SPG Board in accordance with its own governance.

Reasons for Decisions:

- There are currently 2 tenants of Ranger House, the largest of which has a tenant option to break in November 2025 (which it would need to serve by May 2025). It currently leases and occupies 20,842 sq. ft Net Internal Area (NIA).
- The Council is currently incurring void service charges, business rates and insurance costs at Ranger House.
- Informed by advice from MAC Consulting (M&E advisors) and Oktra (design and build office fit out specialists), the professional team (Colliers and Owen Isherwood) has carried out initial surveys and occupational research to inform a Business Plan. This has focused on making necessary building improvements at minimal non-recoverable landlord capital expenditure to achieve maximum rental income.
- Transferring the asset from SCC to SPG moves the short-term risk of year-to year-net income fluctuations on the property from the Council to its wholly owned property investment subsidiary company. The subsidiary can then plan for dividends and interest payments in consideration of those forecast movements and its overall portfolio profitability, smoothing out a degree of year-to-year volatility of net income to the Council. The longer-term capital asset value risk of prolonged voids is unchanged by holding the asset in the subsidiary as fluctuations would still impact net income (albeit via loan or dividend payments) and still impact asset value (via potential credit loss adjustment).
- A positive NPV is forecast to be generated, including the capital receipt to the Council and future benefits to SPG that would flow to the Council over time. The Council's Central Income and Expenditure budget would also benefit.

CABINET MEMBER DECISIONS, 25 FEBRUARY 2025

CABINET MEMBER FOR PROPERTY, WASTE AND INFRASTRUCTURE

Item: 9 Smallholdings Clockhouse Lane Ashford TW15 2HB

Resolved:

The Cabinet Member for Property, Waste and Infrastructure:

1. Formally declared the asset surplus to operational requirements (in consultation with The Leader and Deputy Leader).
2. Approved the sale of 9 Smallholdings, Clockhouse Lane, Ashford, TW15 2HB to the party, at the price and subject to the conditions, noted in the part 2 report. The sale was conditional upon the simultaneous surrender of the headlease held over the asset by HGR which had been agreed by the HGR Board.
3. Approved the HGR premium for the surrender of its interest from the gross receipt and noted there was debt aligned to this asset, with both parties bearing their own costs and appointments of their own professional team.
4. Delegated authority to the Executive Director for Environment, Property, and Growth in consultation with the Director of Land and Property to finalise the transaction and enter into all associated legal agreements.

Reasons for Decisions:

- Following an open marketing campaign of the vacant property known as 9 Smallholdings, Clockhouse Lane, Ashford TW15 2HB, terms had been agreed to sell the freehold interest to the party, and at the price, noted in the part 2 report.
- The asset was part of a later tranche of residential properties transferred by the Council to HGR in July 2021, with a premium paid by HGR to The Council for a head-leasehold interest. HGR Board had requested that it be handed back to the Council and sold. The Council had no operational requirements for the property.
- The Cabinet Member was asked to formally declare the asset surplus to operational requirements under the Council's constitution.

CABINET MEMBER DECISIONS, 24 MARCH 2025

CABINET MEMBER FOR CHILDREN, FAMILIES, AND LIFELONG LEARNING

Item: SEND Capital Programme: Brooklands College Post 16 SEN Unit

Resolved:

The Cabinet Member for Children, Families, and Lifelong Learning:

1. Agreed the use of £5.3m of the total approved existing SEND Capital budget of £143.6m for 2024/25 to 2027/28 for confirmed final scheme at Brooklands College.
2. Agreed to enter into any associated legal agreements to facilitate the contract award and project delivery, which was being managed by Brooklands College Trust under a Self-Delivery Agreement between the Trust and Surrey County Council. This was delegated to the Section 151 officer, in consultation with the Director of Land and Property.

Reasons for Decision:

- The SEND Capital budget allocation of £143.6m for 2024/25 to 2027/28 was reaffirmed by Surrey County Council's Cabinet on 25 June 2024 and Full Council Budget setting in February 2025.
- In June 2024 Surrey County Council's Cabinet approved the delegation of authority to allocate resources from the approved SEND capital budget required for individual committed construction projects to the Cabinet Member for Children, Families and Lifelong Learning, following Capital Programme Panel's (CPP) financial scrutiny and endorsement. This was in line with Full Council approved amended Financial Regulations from March 2023.
- Investing in Brooklands College's capital project would generate a positive impact on outcomes for students with complex additional needs and disabilities, as well as improve the Council's financial sustainability.
- The committed development project was business critical to ensure Surrey County Council (the Council) discharged its statutory duties under Section 3 of the Local Government Act 1999, Sections 13 and 14 of the Education Act 1996 and Part 27 Section 3 of the Children and Families Act 2014.
- The confirmed budget for the project and Surrey County Council's finite investment was above the threshold for Capital Programme Panel (CPP) approval. Cabinet's delegated authority to allocate resources from the approved SEND Capital budget allocation is required for individual projects, and agreement to enter any associated legal documentation to facilitate the contract award and project delivery was assigned to the Cabinet Member for Children, Families and Lifelong Learning, following CPP's financial scrutiny and endorsement on Tuesday 11 February 2025. This was in line with Full Council approved amended Financial Regulations from March 2023.

- To that end, agreement was sought to transfer defined resources to Brooklands College Trust, so that the contract was placed in late July for a September 2025 commencement and facilitate target completion timescales 2026.

CABINET MEMBER FOR HIGHWAYS, TRANSPORT, AND ECONOMIC GROWTH

Item: Bus Service Improvement Plan Phase 4 (BSIP Phase 4) Grant Investment Decisions

Resolved:

The Cabinet Member for Highways, Transport, and Economic Growth:

1. The prioritised programme for the application of the Bus Service Improvement Plan (BSIP) Phase 4 grant and the allocations of funding to the identified priority areas; and
2. The reporting process to the Department for Transport (DfT) on delivery against our priorities through the application of BSIP Phase 4 grant.

Reasons for Decision:

The recommendations were necessary to facilitate the allocation and spend of the allocated BSIP Phase 4 grant. They would also ensure that the processes for reporting back to the DfT were clearly defined and in place to provide assurance around how the funding was being spent and any assessment of impact on passenger growth.

Item: Highways & Transportation Asset Management Strategy Update

Resolved:

The Cabinet Member for Highways, Transport, and Economic Growth:

1. Approved the updated Highways & Transport Asset Management Strategy

Reasons for Decision:

The updated Strategy reflected changes that had already happened or were in progress. The new Strategy reflected progress that had been made in the 2 years since the 2022 Strategy was approved. The Asset Strategy outlined how the Council approached management of highway assets and demonstrated how we strove to deliver an effective and joined up service for residents that recognised the need for delivering value for money, balanced spending to target both safety and condition of the road network, and alignment with the STP (Surrey Transport Plan) ambitions, focussed on the user hierarchy pyramid and carbon reduction.

Item: Highway Hierarchy Policy Update

Resolved:

The Cabinet Member for Highways, Transport, and Economic Growth:

1. Approved the footway changes to the Highway Hierarchy Policy

Reasons for Decision:

The changes approved included:

Increasing hierarchy for large schools from hierarchy 3 (H3) to hierarchy 2 (H2)

- Splitting hierarchy 4 (H4) into hierarchy 4a (H4a) and 4b (H4b).
- The report also outlined other improvements resulting from a detailed review of hierarchy across the county

This change would benefit pedestrians in Surrey in the following ways:

- A greater length of Surrey's footway would have an increased hierarchy. The footways with increased hierarchy were serving key community facilities (E.g. schools, bus stops, care homes), meaning a greater length of SCC footway would be inspected more frequently, be given a higher priority for maintenance spending, and would have more frequent footway condition data collection.
- The whole county review would provide reassurance that the hierarchy of each footway met our policy definition criteria.
- The new H4a maintenance category would increase the score given to H4a footways in the capital prioritisation policy and would mean improved targeting of maintenance spending, focussed on new H4a category footway promoted from existing H4 footways (with remainder being H4b footway)
- There were intended benefits to vulnerable users by targeting community facilities in the hierarchy criteria such as bus stops, care homes and medical facilities.

LEADER DECISION, 1 April 2025

Item: Basingstoke Canal Update

Resolved:

The Leader, acting on behalf of the Cabinet Member for Environment:

1. Noted the update report on the Basingstoke Canal Authority's performance.
2. Approved the Basingstoke Canal Authority partnership's final revenue outturn for 2023/24, the revised revenue budget for 2024/25, the forward revenue budget and scheme of charges for 2025/26, subject to a parallel decision taken by the Hampshire County Council Executive Lead Member for Universal Services on 3 March 2025

Reasons for Decision:

The Basingstoke Canal was owned by Surrey and Hampshire County Council. It was used for:

- public recreation along the towpath and as a navigable waterway;
- for conservation (it was mostly designated as a Site of Special Scientific Interest (SSSI)); and
- as an integral part of the local drainage network in the Boroughs of Runnymede, Woking, Guildford and Surrey Heath.

The Basingstoke Canal was vulnerable to certain aspects of climate change particularly heavy rainfall events and drought, because of the deterioration of aging assets. These risks could be effectively mitigated through active inspection, management, maintenance and a 24-hour duty system.

The operation of the Canal was through the Basingstoke Canal Authority (BCA), a joint partnership which provided a cost-effective way of collectively managing the risks and benefits of owning the Basingstoke Canal for both Hampshire and Surrey County Councils.

The Annual Update Report provided an update on progress and activities. It outlined, for approval, the proposed budget and scheme of charges, which allowed the BCA to operate at a level required to deliver each County Council's statutory duties for a further 12 months.

Special Urgency

The decision was due to be taken by the Cabinet Member for Environment on 24 March 2025 and had been published in the Forward Plan. However, the Cabinet Member was unable to act. The decision was required to be taken urgently as the budget and fees needed to be approved for 1 April 2025.

The decision was therefore taken under Standing Order 56, Special Urgency.

The Chair of the County Council, following the process laid out in the Standing Order, was notified and approved of the use of Special Urgency for the decision.