

KENT COUNTY COUNCIL

PROPERTY SUB-COMMITTEE

MINUTES of a meeting of the Property Sub-Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Tuesday, 17 December 2019.

PRESENT: Mr B J Sweetland (Chairman), Mr N J D Chard (Vice-Chairman), Mr M A C Balfour, Mrs M E Crabtree, Mr D S Daley (Substitute for Mr R H Bird), Mr B H Lewis (Substitute for Mr D Farrell) and Mr H Rayner

ALSO PRESENT: Mr P J Oakford and Mr D Farrell

IN ATTENDANCE: Ms Z Cooke (Corporate Director of Finance), Mrs R Spore (Director of Infrastructure), Mr B Watts (General Counsel), Mrs C Head (Head of Finance Operations), Mr T Porter-Williams (Head of Disposal and Investment Strategy) and Miss T A Grayell (Democratic Services Officer)

UNRESTRICTED ITEMS

136. Membership

(Item 1)

The Democratic Services Officer reported that: -

- Mr D Murphy had joined the sub-committee in place of Mr J McInroy; and
- Mr M A C Balfour had joined the sub-committee to fill the Conservative vacancy.

137. Apologies and Substitutes

Apologies for absence had been received from Mr R H Bird, Mr D Farrell and Mr D Murphy.

Mr D S Daley was present as a substitute for Mr Bird and Mr B H Lewis as a substitute for Mr Farrell.

138. Declarations of Interest in items on the agenda

There were no declarations of interest.

139. Minutes of the meeting held on 17 July 2018

(Item 4)

It was RESOLVED that the minutes of the meeting held on 17 July 2018 are correctly recorded and they be signed by the Chairman.

140. Motion to Exclude the Press and Public for Exempt Business

That, under Section 100A of the Local Government Act 1972, the public be excluded from the meeting for the following business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

Exempt items (open access to minutes)

141. 19/00059 - Strategic Acquisition, Tonbridge and Malling
(Item 5)

1. The Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, Mr P J Oakford, gave a brief introduction to the proposed decision, set out the current proposal and explained how it had come about. He advised the committee that the proposal had been assessed fully against the County Council's Investment Strategy and had been reviewed by the Director of Finance.

2. Mr Porter-Williams added details of the properties concerned, including the square footage, current tenancy arrangements and current and likely future rental incomes of each. He advised the committee that the County Council had sought advice from a reputable valuation firm and had made conservative assumptions about the potential future risks around the long-term investment project. He assured the committee that the Property team would monitor closely the rental income and the progress of the current tenancy arrangements.

3. Mr Oakford and the officer team then responded to questions of detail from Members, including the purpose of the proposal as an investment to generate income growth in the longer term, potentially up to 40 years, that possible alternative future uses of the premises had not been included in the evaluation and financial assessment, what arrangement the County Council could and would make if current tenancies ended and further tenants could not be found, the projected net percentage return and calculated income which the Council would gain from the investment, and the value of the investment as a way of building a good quality asset base for the future.

4. Ms Cooke emphasised the high level of assessment of each individual proposal to ensure that they met fully the requirements of the Capital Strategy and Investment Strategy. Mr B Watts, General Counsel, referred to the explanation given earlier by Ms Cooke that the financial assessment had looked solely at the proposed investment and advised Members that, if the County Council wished to use the premises differently in the future, any revised use would need to be the subject of a fresh key decision and associated due diligence.

5. While discussing the proposal, Members of the committee expressed general support for it and made the following comments:-

- a) the need to be clear about what was being proposed and the purpose and likely outcome of it were emphasised, but Members were reassured by the explanations given to them by the officer team;
- b) the quality of the premises and the buoyancy of the commercial rental market in the area concerned were highlighted;

- c) concern was expressed about the effect of the recent general election and the imminent departure from the EU on the future buoyancy of the commercial rental market; and
 - d) the importance of maintaining the properties well, and thus protecting the Council's investment as attractive premises for future tenants, was emphasised.
6. It was RESOLVED that the decision proposed to be taken by the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to authorise the acquisition of two office assets as an investment and delegate authority to the Director of Infrastructure, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, the Corporate Director for Finance (S151) and the Head of Paid Service, to finalise terms and enter into the necessary documentation to complete the property transactions be endorsed.