Despatch Date: Tuesday 5 January 2016

Agenda for a Meeting of: Cabinet

Date and Time of Meeting: Wednesday, 13 January 2016 at 7.00 pm

Place of Meeting Council Chamber, Civic Centre, Esher

Principal Committee and Member Services Officer: Mrs. T. Hulse
Direct Line: 01372 474175 E-mail: thulse@elmbridge.gov.uk

Members of Cabinet:

J. O’Reilly
T.G. Oliver

J. Browne
Mrs. C.J. Cross
G.P. Dearlove
Mrs. C. Elmer

A. Kelly
Mrs. D.M. Mitchell
Mrs. R. Mitchell
Mrs. M.C. Sheldon

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“If you would like more information in your own language, large print, on tape, or in Braille please contact us at the address or telephone number shown in this document.”

Bengali;  
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Chinese; (Cantonese or Mandarin)  
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Urdu;  
ئری معلومات پین زبان بنا، بے تر فون بن، ای آو ازی کسومارت شس۔ چپی پی ہیئل بن
بن نواس دستاو پچ بن دیپی کون ہیں چپی پین نہ پی ہیئل بر اپ کر کن۔

Spanish;  
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Access to Historical Information Relating to Reports

Please note that the items within this Agenda will usually have an historical context and therefore may have been considered previously by the Council, Cabinet or its Committees. Whilst reports appearing on this Agenda will include a background summary, Members may wish to appraise themselves of the more detailed historical context and to do this may wish to view previous reports / minutes on the matter which are available via the Council’s website: www.elmbridge.gov.uk or intranet, either by searching on the relevant topic or by committee reports. Copies of particular reports can be provided on request from the Democratic Services contact shown on the front of the Agenda.

Part I Items

1. Declarations of Interest

   All Members present are required to declare, at this point in the meeting or as soon as possible thereafter

   (i) any disclosable pecuniary interests and / or

   (ii) other interests arising under the Code of Conduct

in respect of any item(s) of business being considered at this meeting.

2. Minutes of the Cabinet meeting held on 18 November 2015 (to be signed)

   [Please note: the Minutes are as published online and circulated in the 2 December 2015 Council Agenda.]

   Community Development


   Housing

4. Proposals for spend of the Affordable Housing Enabling Fund

   Leisure and Culture

5. Fees and Charges Proposals 2016/17 - Leisure Facilities

6. Oxshott Heath Car Park Regulation Order

7. Grounds Maintenance Contract - Update on current performance
EXECUTIVE SUMMARY:

Elmbridge is an economically resilient area. Changing national policy means that economic development over recent years has become a top priority for the authority.

The Council made a commitment to prioritise this area of work in 2012 with the agreement of the Enterprise Elmbridge Action Plan 2012-2015. In June 2014 the Council made a further commitment by supporting the permanent recruitment of an Economic Development Officer post. An updated Enterprise Elmbridge Action Plan 2015-2017 was approved in March 2015 alongside an extension to the Elmbridge Civic Improvement Fund until 2017 and the creation of a new £50,000 start-up fund.

This report sets out the progress in relation to the implementation of the Enterprise Elmbridge Action Plan 2015-2017, monitors key economic data (Appendix A) and identifies any further opportunities to support priority areas.

RECOMMENDED: THAT


REPORT:

1.0 Background and context

1.1 The Elmbridge economy has shown considerable resilience during the recent downturn and continues to show strong signs of recovery. However, the national growth outlook is still uncertain with China showing signs of weakening growth and a stagnant Eurozone helping to push up the strength of sterling, hitting exports and making UK growth more reliant on domestic consumer demand.

1.2 At a local level Elmbridge continues to play a leading role in the Surrey economy. The Borough has excellent transport links with access to the M3 and M25 motorways, easy access to both Heathrow and Gatwick Airports and several South West train lines into London Waterloo. This connectivity is coupled with high level skills, entrepreneurship and employment supporting a mix of micro enterprises, SMEs, national HQs, high value sectors and retailers across our towns and villages.
1.3 Following the 2008/09 financial crisis the Council repositioned its relationship with local businesses with its commitment to take a pro-active approach to economic development, support for our town centres, tourism attractions and businesses through the adoption of the first Enterprise Elmbridge Action Plan in 2012.

1.4 Although the recovery from the financial crisis is underway, other national policy changes such as the localisation of Business Rates, that establishes the link between economic growth (or decline) and future council funding, highlight the continued importance of supporting the economy locally.

2.0 Enterprise Elmbridge 2015-2017

2.1 The Elmbridge economy generates £3.2bn in Gross Value Added (GVA). With over 8,200 businesses and approx 57,800 employees the Borough has the largest business base across the County of Surrey and the Enterprise M3 Local Enterprise Partnership area.

2.2 The economic base is built on a strong and thriving small business community and is not dependent on any one sector or large employer. The area has a long-standing reputation for business growth and resilience with supportive town centres and local amenities.

2.3 The latest economic stats for Elmbridge include:

- 8,270 active businesses in 2015 (up from 7,700 in 2014)
- 57,800 employees in 2014 (up by 1,900 from 2013)
- 53.2% of the working age population educated to NVQ level 4 compared to 39.1% for the South East
- 354 (0.4%) JSA claimants for October 2015 (down from 510 (0.6%) in October 2014)
- Comparison (non-food) spending retention rate of 29% in 2015 (up from 15.5% in 2005)
- Town centre vacancy rates below the national average
- 1,255 start-ups in 2014 (up from 1,235 in 2013)

2.4 The Enterprise Elmbridge Action Plan 2015-2017 outlined key actions where the Borough Council and partner organisations could play a central role in supporting our businesses, town centres and growth sectors to help meet challenges including:

- Online and offline challenges to the strength and success of our town & village centres (IMRG online retail association estimates £107bn was spent online in 2014 equating to 21% of retail sales)
- A tight employment market and high levels of out-commuting among the highly skilled (Net out-commuting of approx. 15,000)
- A business survival rate behind the Surrey average in year 1
- A lower ratio of total employment to working age population than Surrey or Local Enterprise Partnership area comparators (Elmbridge: 0.85, Surrey/Ent M3 LEP: 0.89/0.89)
• Lower proportion of companies in each employment size band over 10 employees than South East comparators

2.5 Enterprise Elmbridge completed a range of targeted initiatives in 2015 to help meet these challenges including:

Town Centres

• Record number of votes and nominations received in the 2015 Elmbridge Independent Retailer of the Year Awards
• 3x shop local initiatives delivered: Did you know campaign, 72 hrs shop local pledge and Small Business Saturday
• Piloted Elmbridge Street Live adding interest and life to Weybridge town centre with live music and street dance
• Supported Thames Ditton to launch a new farmers market attracting 1,200 people to the inaugural event
• Launched a new retail welcome pack to provide a simple guide to key info for new entrants to our town centres
• Re-established Elmbridge Borough Council relationship and communication with the Weybridge Town Business Group

Tourism

• Over 11,000 people attended the 2015 Elmbridge Food Festival
• 41 out of 67 business and community groups involved in the food festival were from within Elmbridge
• @DiscoverElmb social media feed helped to generate over 66,000 twitter impressions and over 2,000 profile visits during the food festival
• Approx £7,000 of free print publicity generated for the food festival and Painshill
• 5 ‘Hidden Gems’ social media video clips produced to encourage residents and visitors to explore the Borough

Business support

• Elmbridge businesses awarded £350,000 in Enterprise M3 Local Enterprise Partnership funding escalator loans to support growth and new jobs
• Over 70 businesses supported with business masterclasses in leadership, marketing, exporting and business continuity
• £126,350 in ECIF grants awarded to 31 businesses leveraging over £43,000 of private sector investment in our town centres since April 2015
• £8,115 in start-up grants awarded to 9 new businesses since April 2015
• Over 50 businesses supported directly with advice and signposting
• Over 1,800 clicks generated through to business funding, events and opportunities from our social media, LinkedIn group and newsletter
• Re-established the Big Business Board to engage large and strategically important employers
3.0 **Enterprise Elmbridge 2016**

3.1 Following the successful implementation of 2015 activities further projects have been identified in addition to those in the Enterprise Elmbridge Action Plan set out in Appendix A to support priority areas in 2016 including:

<table>
<thead>
<tr>
<th>Priority</th>
<th>Action</th>
<th>Timescales</th>
<th>Delivery Lead</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Enterprising Elmbridge</strong></td>
<td>To deliver 2x business master class events to support 30 small and medium-sized businesses grow</td>
<td>December 2016</td>
<td>Economic Development Officer, Organisational Development</td>
</tr>
<tr>
<td>Accelerating SME business growth</td>
<td>Develop support for business growth through the Elmbridge Civic Improvement Fund</td>
<td>March 2017</td>
<td>Policy Manager, Organisational Development</td>
</tr>
<tr>
<td><strong>Elmbridge at Work</strong></td>
<td>To deliver Elmbridge apprentices ‘our day’ to celebrate and promote apprenticeship week</td>
<td>March 2016</td>
<td>Economic Development Officer, Organisational Development</td>
</tr>
<tr>
<td><strong>Discover Elmbridge</strong></td>
<td>Hold the Elmbridge Food Festival ensuring that 65% of businesses attending are local</td>
<td>September 2016</td>
<td>Policy Manager, Organisational Development, Economic Development Officer, Organisational Development</td>
</tr>
<tr>
<td>Promote Elmbridge as a tourist destination</td>
<td>To deliver a retail masterclass to upskill 10 local independent traders</td>
<td>December 2016</td>
<td>Economic Development Officer, Organisational Development</td>
</tr>
<tr>
<td>Enhancing the quality &amp; distinctive identity of our town centres</td>
<td>Deliver the '72 hours in....' shop local pledge campaign</td>
<td>March 2017</td>
<td>Economic Development Officer, Organisational Development</td>
</tr>
<tr>
<td>Task</td>
<td>Completion Date</td>
<td>Responsible Officer</td>
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<tr>
<td>To deliver the independent retailer of the year competition</td>
<td>August 2016</td>
<td>Economic Development Officer, Organisational Development</td>
<td></td>
</tr>
<tr>
<td>To co-ordinate &amp; help deliver Small Business Saturday activities</td>
<td>December 2016</td>
<td>Economic Development Officer, Organisational Development</td>
<td></td>
</tr>
<tr>
<td>To deliver 3 x ‘Elmbridge after five’ initiatives to support local</td>
<td>March 2017</td>
<td>Economic Development Officer, Organisational Development</td>
<td></td>
</tr>
<tr>
<td>To deliver the Elmbridge Borough Council actions within the</td>
<td>December 2016</td>
<td>Economic Development Officer, Organisational Development</td>
<td></td>
</tr>
<tr>
<td>To submit a Surrey County Council secondary town centres fund bid</td>
<td>March 2017</td>
<td>Economic Development Officer, Organisational Development</td>
<td></td>
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</tbody>
</table>

**Sustainable Elmbridge**

<table>
<thead>
<tr>
<th>Task</th>
<th>Completion Date</th>
<th>Responsible Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unlocking development opportunities to meet housing, infrastructure</td>
<td>March 2017</td>
<td>Economic Development Officer, Organisational Development</td>
</tr>
<tr>
<td>and business needs</td>
<td></td>
<td>Planing Policy Manager, Planning Services</td>
</tr>
<tr>
<td>To generate at least £100,000 in external funding/investments into</td>
<td></td>
<td>Planing Policy Manager, Planning Services</td>
</tr>
<tr>
<td>the Borough</td>
<td></td>
<td>Planing Policy Manager, Planning Services</td>
</tr>
<tr>
<td>Complete the evidence review of planning policies to allow for</td>
<td>July 2016</td>
<td>Planing Policy Manager, Planning Services</td>
</tr>
<tr>
<td>housing growth whilst safeguarding the environment to inform the</td>
<td></td>
<td>Planing Policy Manager, Planning Services</td>
</tr>
<tr>
<td>preparation and publication of a new Local Development Scheme</td>
<td></td>
<td>Planing Policy Manager, Planning Services</td>
</tr>
<tr>
<td>detailing the next stages in our Local Plan preparation</td>
<td></td>
<td>Planing Policy Manager, Planning Services</td>
</tr>
</tbody>
</table>
### Connected Elmbridge

<table>
<thead>
<tr>
<th>Promoting an open for business culture</th>
<th>Support at least 50 businesses with signposting to funding and business support</th>
<th>March 2017</th>
<th>Economic Development Officer, Organisational Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop 5x Elmbridge Borough Council business services social media clips</td>
<td>July 2016</td>
<td>Economic Development Officer, Organisational Development</td>
<td></td>
</tr>
</tbody>
</table>

#### 4.0 Partnership working

**4.1** In addition to the above actions, Surrey County Council, the Enterprise M3 Local Enterprise Partnership (LEP) and the Surrey Chambers of Commerce will continue to support businesses across the area through the implementation of:

- The business support Growth Hub to support business development across the LEP area (Enterprise M3 LEP)
- The Invest in Surrey action plan to support and attract new investments into the County (Surrey County Council)
- 36 one-to-one start up business advice clinics (Surrey Chambers of Commerce)

**Financial implications:**
None

**Environmental/Sustainability Implications:**
Economic development contributes to sustainable communities. Specific scheme such as the ‘Shop Local’ campaign and grants can contribute to customers buying produce locally, reducing vehicle trips.

**Legal implications:**
None

**Equality Implications:**
None

**Risk Implications:**
Failure to promote economic growth could result in a reduction in business rate revenues, which under new legislative proposals could affect Council income.

**Community Safety Implications:**
None

**Principal Consultees:**
**Background papers:**
None

**Enclosures/Appendices:**

**Contact details:**
Doug Perkins, Economic Development Officer
E: dperkins@elmbridge.gov.uk  T: 01372 474176
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# Enterprise Elmbridge Action Plan 2015-2017

<table>
<thead>
<tr>
<th>Priority</th>
<th>Action</th>
<th>Timescales</th>
<th>Delivery Lead</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Enterprising Elmbridge</strong></td>
<td>To deliver 3 business master class events on leadership, marketing &amp; international trade to support 50 small and medium-sized businesses grow</td>
<td>Sept 2015</td>
<td>Economic Development Officer, Organisational Development</td>
</tr>
<tr>
<td><strong>Improving business start-up and survival rates</strong></td>
<td>Develop support for business start-ups through the Elmbridge Civic Improvement Fund</td>
<td>April 2015</td>
<td>Policy Manager, Organisational Development</td>
</tr>
<tr>
<td></td>
<td>To invest in and support 40 independent retailers with Elmbridge Civic Improvement Fund Grants</td>
<td>By Mar 2016</td>
<td>Policy Manager, Organisational Development</td>
</tr>
<tr>
<td></td>
<td>To develop a ‘Retail Welcome pack’ to engage and support new entrants to the high street with contacts, grants, networks and support.</td>
<td>March 2015</td>
<td>Economic Development Officer, Organisational Development</td>
</tr>
<tr>
<td><strong>Support local food businesses comply with food safety legislation.</strong></td>
<td>To offer 4 Level 2 food hygiene courses per annum</td>
<td>March 2016</td>
<td>Principal Environmental Health Officer, Environmental Health and Licensing</td>
</tr>
<tr>
<td></td>
<td>To deliver 25 online food hygiene training courses per annum</td>
<td>On-going</td>
<td>Principal Environmental Health Officer, Environmental Health and Licensing</td>
</tr>
<tr>
<td><strong>Elmbridge at Work</strong></td>
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</tr>
<tr>
<td>Directly support local people into employment</td>
<td>To review and develop the Elmbridge Apprenticeship Scheme</td>
<td>March 2015</td>
<td>Economic Development Officer, Organisational Development</td>
</tr>
<tr>
<td>Discover Elmbridge</td>
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</tr>
<tr>
<td>Promote Elmbridge as a tourist destination</td>
<td>Explore the possibility of developing a micro-site for Discover Elmbridge, to promote Elmbridge as a tourist location and support local visitor attractions</td>
<td>March 2016</td>
<td>Economic Development Officer, Organisational Development</td>
</tr>
<tr>
<td></td>
<td>To develop 5 ‘hidden gems’ video clips for use with Discover Elmbridge social media channels</td>
<td>July 2015</td>
<td>Economic Development Officer, Organisational Development</td>
</tr>
<tr>
<td></td>
<td>To develop 5 themed tourism package itineraries to target car, walking, heritage enthusiasts, business and friends/family tourism visitors to the Borough</td>
<td>By July 2015</td>
<td>Economic Development Officer, Organisational Development</td>
</tr>
<tr>
<td></td>
<td>To deliver an expanded (40+ stalls) Elmbridge Food Festival</td>
<td>Sept 2015</td>
<td>Policy Manager, Organisational Development</td>
</tr>
<tr>
<td></td>
<td>Deliver a series of initiatives to celebrate and promote the Rugby World Cup 2015</td>
<td>By Oct 2015</td>
<td>Leisure Development Manager, Leisure and Cultural Services</td>
</tr>
<tr>
<td>Role</td>
<td>Task Description</td>
<td>Start Date</td>
<td>Responsible Department</td>
</tr>
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</tr>
<tr>
<td>Heritage, Landscape and Tree Manager, Planning Services</td>
<td>Develop and implement a borough wide Heritage Strategy</td>
<td>By March 2016</td>
<td></td>
</tr>
<tr>
<td>Leisure Development Manager, Leisure and Cultural Services/Organisational Development</td>
<td>Enhancing the quality &amp; distinctive identity of our town centres</td>
<td>May 2015</td>
<td>To co-ordinate and deliver a pilot high street art/culture programme</td>
</tr>
<tr>
<td>Leisure Development Manager, Leisure and Cultural Services/Organisational Development</td>
<td>Enhancing the quality &amp; distinctive identity of our town centres</td>
<td>May-August 2015 &amp; 2016</td>
<td>To deliver the independent retailer of the year competition</td>
</tr>
<tr>
<td>Economic Development Officer, Organisational Development</td>
<td>Enhancing the quality &amp; distinctive identity of our town centres</td>
<td>National Independence Day – 4 July, Small Business Saturday – 5 Dec</td>
<td>To co-ordinate and deliver 2 shop local campaign initiatives to support national Independence Day and Small Business Saturday</td>
</tr>
<tr>
<td>Economic Development Officer, Organisational Development</td>
<td>Enhancing the quality &amp; distinctive identity of our town centres</td>
<td>On-going</td>
<td>To support, if required, development of a Business Improvement District</td>
</tr>
<tr>
<td>Economic Development Officer, Organisational Development</td>
<td>Enhancing the quality &amp; distinctive identity of our town centres</td>
<td>By Oct 2015</td>
<td>To create an arts walk/tour around cultural facilities</td>
</tr>
<tr>
<td>Economic Development Officer, Organisational Development</td>
<td>Enhancing the quality &amp; distinctive identity of our town centres</td>
<td>Feb 2015</td>
<td>To undertake baseline healthchecks for the Borough’s ‘town &amp; district centres’ to evidence performance and progress</td>
</tr>
<tr>
<td>Head of Asset Management &amp; Property Services, Asset Management &amp; Property Services/Leisure and Cultural Services</td>
<td>Sustainable Elmbridge</td>
<td>Oct 2015</td>
<td>To commence redevelopment of Waterside Sports Hub to provide a fit for purpose sports hub</td>
</tr>
</tbody>
</table>

Page 15
and business needs

| To work with a mixed use agent on the Stompond Lane site to ensure a financially feasible development in keeping with the surrounding area | March 2016 | Head of Asset Management & Property Services, Asset Management & Property Services

| To assess feasibility and progress plans to release one surplus council-owned site as identified in the Asset Management Plan for affordable housing | March 2016 | Head of Asset Management & Property Services, Asset Management & Property Services

| Continue to allocate Community Infrastructure Levy to support improvements in local infrastructure to mitigate impacts of development | On-going | Infrastructure Delivery Co-ordinator, Planning Services

| Promote growth in sustainable locations across the borough | Explore the possibility of developing a micro-site for Enterprise Elmbridge, encouraging investment and business development within the Borough | March 2016 | Economic Development Officer, Organisational Development

| Connected Elmbridge | Engage & retain strategic | To attend 4 Elmbridge Big Business Group | On-going | Economic Development Officer, Organisational Development
| employers | meetings to engage & feedback to large employers |  |  |
| Promoting an open for business culture | To undertake 6 networking/liaison meetings with key partners/stakeholders to promote an open for business culture | On-going | Economic Development Officer, Organisational Development |

**Measuring progress**

Alongside the SMART objectives in the Enterprise Elmbridge Action Plan, the Organisational Development Team is also monitoring four key economic measures to evaluate how the action plan has impacted overall. These measures include:

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<tbody>
<tr>
<td>Retain position in top quartile for the number of active businesses in the County.</td>
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</tr>
<tr>
<td>Retain position ahead of the South East and National comparators for average Borough wide retail vacancy rates.</td>
<td>G</td>
</tr>
<tr>
<td>Retain position within the top quartile for the number of business births in the County.</td>
<td>G</td>
</tr>
<tr>
<td>Retain position ahead of the County, South East and National comparators for employment rates (aged 16-64).</td>
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</tr>
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</table>
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EXECUTIVE SUMMARY:

This report seeks agreement to invest monies from the Enabling Fund to support the continuation of the Elmbridge Homeownership Assistance Scheme (EHOAS) with Catalyst Housing and the Perfect Fit scheme with Paragon Community Housing Group (PCHG), recognising the contributions that both schemes make in meeting local housing need. The report proposes that the Council allocates a further amount of £425,000 into EHOAS, on the understanding that Catalyst commits a further £400,000. The report also proposes that £160,000 is allocated to support the continuation of the Perfect Fit up to the end of March 2018, with authority delegated to Officers to enter into agreements with the respective housing associations in relation to the additional funding.

RECOMMENDED: THAT

(A) CABINET AGREES A FURTHER ALLOCATION OF £425,000 FROM THE ENABLING FUND TO EXTEND THE ELMBRIDGE HOMEOWNERSHIP ASSISTANCE SCHEME (EHOAS) ON THE UNDERSTANDING THAT CATALYST HOUSING COMMITS A FURTHER £400,000, TO SUPPORT APPROXIMATELY 11 ADDITIONAL CASES;

(B) CABINET AGREES THE ALLOCATION OF £160,000 FROM THE ENABLING FUND TO PROVIDE CAPITAL FUNDING TO PARAGON COMMUNITY HOUSING GROUP (PCHG) TO SUPPORT THE DELIVERY OF APPROXIMATELY 60 ADDITIONAL MOVES THROUGH THE CONTINUATION OF THE SCHEME IN 2016/17 AND 2017/18; AND

(C) CABINET DELEGATES AUTHORITY TO THE HEADS OF HOUSING, FINANCE AND LEGAL SERVICES TO VARY THE EXISTING LEGAL AGREEMENT WITH CATALYST HOUSING TO REFLECT THE ADDITIONAL FUNDING PROVIDED TO EHOAS AND TO ENTER INTO A NEW FUNDING AGREEMENT WITH PCHG TO CONTINUE THE PERFECT FIT SCHEME TO THE END OF MARCH 2018, INCORPORATING REVISIONS TO THE OPERATION OF THE SCHEME TO ENSURE ITS CONTINUED EFFECTIVENESS.
1. The Elmbridge Homeownership Assistance Scheme – Background

1.1 In April 2010, the Council agreed to set up the Elmbridge Homeownership Assistance Scheme (EHOAS) with Catalyst Housing Group and committed £530,000 from the Enabling Fund to launch the scheme. £500,000 of this was to be made available for equity loans, with £30,000 sets aside to cover the administration fees payable to Catalyst for managing the scheme. Catalyst agreed to provide £500,000 match-funding into the loan scheme and a target of helping 14 households into home ownership was agreed. A legal agreement was established between the two parties that set out the scheme eligibility criteria and the financial arrangements to be followed. The Council also agreed that loan repayments made to the Council be earmarked for the Enabling Fund to support the delivery of affordable housing in the future.

1.2 The scheme commenced in April 2011 and further funding has been committed at two points since, resulting in a loan pot of £2.2m, capable of supporting around 33 purchases. The loan funding is provided on a 50/50 basis between the Council and Catalyst.

1.3 The scheme helps households who are living and / or working in Elmbridge and who aspire to become home-owners to achieve this, where otherwise they would not be able to afford to. Applicants must have a gross household income of less than £60,000 per annum and priority is given to housing association tenants resident in the borough, who by buying a home on the open market, free up a home for re-letting. The primary target group comprises first-time buyers, although in certain circumstances existing or previous home-owners can be helped, where for example, they have undergone a significant change in their circumstances affecting their housing need.

1.4 The scheme offers a low-interest (2.5%) equity loan of up to £90,000 to bridge the gap between what a household can raise through a deposit and mortgage and the purchase price, with purchasers from April 2015 benefitting from not facing charges on the loan for the first two years. Catalyst is paid £1,800 per completed purchase in fees to cover the cost of delivering the service and is also permitted to keep the interest payments to cover its own borrowing costs.

1.5 The following figures demonstrate how the scheme is working (as at November 2015):
  - 29 purchases completed
  - £1.842m of the £2.2m loan pot spent, at an average of £63,500 per loan
  - £358,000 remaining in the loan pot which could support in the region of 4 to 6 loans.
  - Four of the completed purchases assisted Paragon tenants to move into home-ownership making available all four properties for re-letting
  - 18 of the purchasers were renting privately at the point of application and seven were living with friends or family
  - 27 of the 29 purchasers were resident in the Elmbridge with the other two were working here, but resident elsewhere
The average purchase price of a property brought through the scheme is £220,000, ranging from £165,000 through to £290,000.

The gross average household income of those helped through the scheme was £40,000, with the average deposit put down being £17,000.

All of the purchasers were in work at the point of making an application and between 8 and 10 could be considered to be key workers in terms of either being employed in the public sector and / or being in occupations such as teaching, nursing etc.

There are 25 eligible applicants who are recorded as “out looking for homes”.

1.6 The scheme was set up as a response to the local housing market conditions, most specifically the difficulties that many aspiring home-owners faced in being able to afford to buy a home of their own locally and the potential knock-on effects for the local economy and public services in terms of difficulties in recruiting and retaining a workforce. These affordability challenges have intensified since, with local property prices rising faster than incomes and as such, the rationale for the scheme remains.

1.7 As an equity loan, rather than a grant, half of the value of redeemed loans will be returned to the Council, reflecting our original share of the investment. The scheme has now been running long enough where loans have been redeemed as people sell up or they stay put and pay off the loan. Since summer 2014, seven loans have been redeemed. The Council’s share of the original loans on these payments was just under £230,000 but with house price inflation, the Council has received back just over £290,000. Taking account of the administration fees paid on these purchases, this represents a return on investment of around 21%. The payments received by the Council have been paid back into the Enabling Fund, although it has not been specifically ring-fenced for use in this scheme.

1.8 Officers have been in discussion about replenishing the loan-pot so as to allow more households to be assisted in the scheme. Catalyst staff have indicated that, given the scheme’s success to date, that Catalyst would be willing to invest a further £400,000 into the loan-pot, subject to the Council matching this commitment.

1.9 Whilst the remaining funds may help up to six more households to purchase a home, if early agreement for the additional funding can be secured then it can be simply added to the remaining balance so that the scheme can continue seamlessly. The alternative would entail having to advise applicants that the scheme has been suspended pending a decision on providing funds. Such uncertainty would be unhelpful to applicants and could lead them to incurring abortive costs, in terms of legal fees and the like.

1.10 It is proposed that, on top of a £400,000 addition to the loan-pot, that a further £25,000 be added to the fund to cover the administration fees payable to Catalyst. Assuming an average loan of £70,000, the combined £800,000 would support 11 additional loans, which would incur £19,800 in fees (at £1,800 per case) but it would be prudent to build in some contingency should the number assisted be higher.

1.12 It is proposed to draw investment of £425,000 from the Enabling Fund to support the extension of the scheme.
1.13 The commitment of both parties to provide additional funding would be formalised through a Deed of Variation to the original legal agreement adopted in 2011.

1.14 The Affordable Housing Member Panel was briefed on this proposal at its last meeting in November 2015 and gave its support to further investment being committed.

2. The Perfect Fit Scheme

2.1 The security of tenure enjoyed by most housing association tenants within Elmbridge means that there is no legal right to seek repossession of a property on the basis that it is under-occupied. National reforms introduced by the Coalition Government have seen a significant shift towards housing associations and councils granting “fixed-term” tenancies to new tenants. These changes were not applied retrospectively, meaning that existing social housing tenants did not see their security of tenure altered. This means that in Elmbridge there remain a significant number of housing association tenants with periodic tenancies, which will run from week to week for as long as they abide by their tenancy conditions.

2.2 Whilst security of tenure has advantages, it does not facilitate the best use of the limited social housing stock. It restricts the ability of the council and housing associations to meet the needs of family-sized accommodation, for example those whom are over-crowded and can leave tenants in accommodation that is too large for them to manage.

2.3 The Perfect Fit scheme was launched as a year-long pilot in April 2012 to encourage Elmbridge Housing Trust (EHT) tenants under-occupying their homes to downsize so as to free up the property for a family needing accommodation of that size. The scheme offers payments of up to £4,000 to tenants freeing up two or more bedrooms and up to £2,500 for those giving up one bedroom. The scheme was extended following a successful pilot and the current funding agreement runs from April 2014 to March 2016.

2.4 Under the partnership arrangements in place, PCHG established a post to work with under-occupying tenants and provide one-to-one support to help with moving. PCHG also bear the void costs (in terms of both the costs incurred in work undertaken to bring vacated properties back up to a lettable standard and the rent loss whilst the properties are vacant). The Council’s funding covers the provision of financial incentives to encourage under-occupiers to move. Under the current scheme, payments of up to £4,000 are offered to tenants freeing up two or more bedrooms and up to £2,500 to those giving up one bedroom. The individual grants are paid by Paragon and can be paid in full to the applicant or used flexibly to cover the costs of paying for removals and / or to pay off outstanding debts to the landlord. At least three-quarters of resultant vacancies are made available to applicants on the Council’s Housing Register, with a local connection to Elmbridge. The scheme is intended to increase the availability of family-sized affordable housing for rent in a locality where land values are high and the opportunities to develop such accommodation is limited.
Whilst the concept and launch of Perfect Fit pre-dated the introduction of many of the Coalition Government’s welfare reforms, it has assisted a number of households affected by it. Changes to the entitlement for housing benefit amongst under-occupying social tenants of working age were introduced in April. This reform reduced entitlement to housing benefit by up to 25% of the rent for eligible claimants by two or more bedrooms or 14% for those under-occupying by one bedroom. This meant that households were likely to accrue rent arrears and either have to make up a shortfall in their rent or look to move to smaller accommodation where they would qualify for a larger proportion of housing benefit to cover all or part of their rent.

As at October 2015, there were 244 households in Elmbridge affected by this reform. This number has been gradually falling and 51 of the 92 moves occurring since April 2013 related to households affected by this reform.

In the three and a half years from April 2012 to September 2015, a total of 124 households have downsized, meaning that 248 households have benefitted as a whole, once those moving into the vacated properties are counted. Table 1 below provides a breakdown of the moves so far, showing the number of moves from one size of property to another (in terms of bedroom numbers).

<table>
<thead>
<tr>
<th>Number of bedrooms moved from</th>
<th>Homes released</th>
<th>Bedrooms released</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>2</td>
<td>16</td>
<td>66</td>
</tr>
<tr>
<td>2</td>
<td>46</td>
<td>46</td>
</tr>
</tbody>
</table>

The following sets out the headlines around activity, costs and outcomes

- By the end of September 2015, 124 households had downsized at a cost to the Council of £389,500, releasing 189 bedrooms. This is an average cost of £3,140 per move or £2,060 per bedroom released.
- Thirty-two of the households downsizing moved into sheltered accommodation (freeing up family homes), with the other 92 staying within general-needs accommodation
- 32 moves occurred in 2012/13; 46 in 2013/14; 33 in 2014/15 and 13 moves took place in the first six months of 2015/16.
- 78 of the 124 moves that have taken place involved tenants of working-age, with the other 46 involving pensioner households
- As at the end of September 2015, there were 52 applicants on the waiting list, who had been accepted onto the scheme and were waiting for a suitable property
- PCHG undertakes regular satisfaction surveys of tenants who have moved through the scheme and consistently high satisfaction ratings are reported. The returns from those who have moved since April 2014 reported 100% satisfaction ratings with both the overall process and the new homes.
2.9 Through increasing the turnover of family homes for re-letting, the scheme has helped limit the number of homeless households in temporary accommodation, boosted homeless prevention and helped limit the associated costs to the Council of providing emergency bed and breakfast accommodation for homeless households.

2.10 The scheme is cost-effective, with cost per property released comparing favourably with the typical levels of public subsidy invested by the Homes and Communities Agency to support the development of new affordable housing, which typically equates to around £17,000 per rented home in the wider region. The scheme is cast in an even more favourable light if compared against the total indicative cost of developing a new affordable home, with the build costs being in the region of £150,000 to £200,000.

2.11 In March 2014, Cabinet approved a commitment of £260,000 to support the delivery of up to 80 additional moves through Perfect Fit between April 2014 and March 2016, subject to a funding agreement being put in place between the two organisations. An under-spend from 2013/14 of £20,000 was carried forward, resulting in a starting balance of £280,000 being available at April 2014. After eighteen months of the two-year agreement, 46 moves had taken place at a cost of £140,000, leaving another £140,000 as yet unspent. It is difficult to anticipate the number of moves that will occur in the remaining months (and the related costs) but it has been assumed that no more than £70,000 will be spent, leaving a balance of at least £70,000.

2.12 It is unlikely that the aspiration of 80 moves over the two years to March 2016 will be achieved, but the number of moves depends on a number of factors, including having a sufficient pool of tenants wanting to downsize combined with the availability of the right type of properties in the right place at the right time and capacity to both administer the scheme and manage and fund the voids work. Essentially there remains an underlying demand and there remains scope to assist more people and release more homes.

2.13 Given the success and cost-effectiveness of the scheme, Cabinet is asked to endorse its continuation through the next two financial years (i.e. to 31 March 2018).

2.14 PCHG has confirmed its willingness to continue to both run the scheme and to continue to commit staff resources to administer the scheme and provide support to residents as part of its wider objectives around making best use of its stock.

2.15 It is proposed that any remaining unspent funds relating to the current agreement will be carried forward, subject to the continuation of the scheme being agreed and on the assumption that this will be in the region of £70,000, it is proposed that a further commitment of £160,000 should be more than sufficient to support the scheme for the next two years. The aim is to achieve 30 moves per year, a number which reflects the average number of moves achieved per year to date, the capacity and costs to PCHG of running the scheme and dealing with the voids and the fact that a good number of those who wanted to move have done so and that there may be more work ahead to identify, engage and encourage those households who will move in the future.
2.16 The Council and PCHG have entered into a series of agreements covering the operation of the scheme and the conditions attached to the funding provided by the Council. These arrangements have been broadly similar, reflecting the fact that the scheme has remained largely unchanged since its launch in 2012. Whilst it is anticipated that the proposed agreement for 2016/18 will be based on the current agreement, officers are proposing to make a number of revisions to the scheme, both in light of lessons learnt and changes in the need for particular sizes of property.

2.17 For a variety of reasons, including the interplay of welfare reforms and changes to our Housing Allocations Policy, the greatest mismatch around supply and demand now concerns two-bedroom homes, rather than for three and four bedrooms as was the case when Perfect Fit was launched. A snapshot taken from the Housing Register in early December recorded 578 applications seeking two-bedroom homes, compared with 180 seeking three-bedroom homes and 28 seeking four-bedroom houses.

2.18 Officers are therefore proposing to make a number of changes to the operation of the scheme both to promote the release of a greater number of two-bedroom properties (along with some larger homes) and to refine the target group the scheme is aimed at. These changes include reforms to the package of incentives, moving the focus from the number of bedrooms released to the property that the household is moving to, with the expectation that this will increase the number of two-bedroom homes released. The main changes proposed are as follows:

- To target the scheme more closely at those with a one-bedroom need, which should boost the number of two-bedroom homes released. This will be achieved by providing assistance up to the value of £2,500 for qualifying households moving into a one-bedroom general-needs tenancy, regardless of how many bedrooms they are giving up. Qualifying households downsizing into retirement housing will be eligible for assistance up to £4,000.
- In exceptional circumstances, households needing two or more bedrooms will be able to be helped through the scheme, with support up to £2,500, for example, if they have a live-in carer, or the property to be vacated is in very limited supply (such as a property with extensive adaptations or with five bedrooms)
- To refine the eligibility criteria somewhat so as to avoid the scenario whereby a household may downsize through the scheme only to then seek a transfer to larger accommodation as a result of a subsequent and possibly foreseen increase in their household size.

2.19 Whilst the proposed changes to the incentives may reduce the value of the benefit to certain households, it may increase the incentives available to others (particularly those who will move to retirement accommodation). The proposed larger incentive available to those moving to retirement housing reflects the fact that some prospective down-sizers are reluctant to give this option serious consideration, but a more substantial offer might make a difference. All things considered, officers believe that it should still be possible to deliver a continued flow of moves under the
revised scheme, as with welfare reform, in particular, tenants may have other motivations to move. Officers would build in a review of the operation of the scheme before the half-way point and could then look to introduce changes in the light of this evaluation, should it be apparent that the changes have had unintended consequences.

2.20 In order to support PCHG in continuing to promote the scheme and recognising that PCHG has borne the costs of marketing to date, it is proposed that the Council will provide up to £5,000 to Paragon as a contribution to these costs. This would be wrapped up in the £160,000 commitment and be considered to be reasonable on-costs.

2.21 It is felt that a two-year agreement gives greater certainty to both parties and demonstrates a commitment to continuing with a scheme which has an established track record and where there is scope to do more. It is proposed that Cabinet delegates authority to the Head of Housing Services to conclude a funding agreement to run until 31 March 2018.

3. Funding the proposals

3.1 It is proposed to draw on the Council’s Affordable Housing Enabling Fund to support additional investment in the Elmbridge Homeownership Assistance Scheme and Perfect Fit. This is a fund set aside for delivering affordable housing in Elmbridge and meeting local housing need. The current balance, net of existing commitments, stands at just under £5m, as demonstrated by Table 2.

3.2 The table shows that the majority of the fund’s income is derived from Section 106 contributions from smaller residential schemes or in lieu of onsite delivery. The balance has been topped up by payments from the New Homes Bonus Scheme along with various capital receipts. Given that the combined commitment sought for the two proposals is £585,000 and the balance of the fund stands at over £4.9m, it is clear that there is sufficient monies available to support the proposals whilst also leaving a remaining balance of over £4.40m for use on other projects.

3.3 There is a twin-track process in place concerning the approval of payments from the Enabling Fund, depending on whether the sum sought is below £75,000 or not.

- For sums below £75,000, delegated authority has been given to the Portfolio Holder for Housing together with the Leader of the Council or Portfolio Holder for Resources, in consultation with the Chairman of the Overview and Scrutiny Committee and in conjunction with Officers, where the projects meet the priorities endorsed by the Affordable Housing Member Panel.

- For sums above £75,000, it is for Cabinet to determine recommendations for funding of affordable housing projects from the Housing Enabling Fund directly from the Portfolio Holder for Housing, in consultation with the Chairman of Overview and Scrutiny Committee and in conjunction with Officers where the project meets the priorities endorsed by the Affordable Housing Member Panel.
3.4 As it is now proposed to commit more than £75,000 from the Enabling Fund, Cabinet approval is now sought.

Table 2 Enabling Fund working balance – December 2015

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Income</th>
<th>Committed spend</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>April 2011 – Opening balance £1,096,000 (A)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Additions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S106 contributions (various schemes)</td>
<td>6,051,163</td>
<td></td>
</tr>
<tr>
<td>New Homes Bonus (2012/13 – 15/16)</td>
<td>318,640</td>
<td></td>
</tr>
<tr>
<td>EHAS loan redemptions – earmarked capital receipts</td>
<td>290,413</td>
<td></td>
</tr>
<tr>
<td>British Legion disposal – earmarked capital receipts</td>
<td>311,662</td>
<td></td>
</tr>
<tr>
<td><strong>Total Additions (B)</strong></td>
<td>6,971,878</td>
<td></td>
</tr>
<tr>
<td><strong>Committed Spend</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elmbridge Homeownership Assistance Scheme</td>
<td>1,165,000</td>
<td></td>
</tr>
<tr>
<td>Imber Cross</td>
<td>300,000</td>
<td></td>
</tr>
<tr>
<td>Empty Homes Purchase Programme</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>Perfect Fit (years 1 to 4)</td>
<td>530,000</td>
<td></td>
</tr>
<tr>
<td>YP Housing scheme – grant to Transform</td>
<td>70,000</td>
<td></td>
</tr>
<tr>
<td>Acquisition of British Legion Site</td>
<td>839,485</td>
<td></td>
</tr>
<tr>
<td>THP House (Walton Charity)</td>
<td>70,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total Committed Spend (C)</strong></td>
<td>3,074,485</td>
<td></td>
</tr>
<tr>
<td><strong>Enabling Fund Balance: (A) + (B) – (C)</strong></td>
<td></td>
<td>4,993,393</td>
</tr>
</tbody>
</table>

4. Use of the remaining funds

4.1 Officers are currently working with the Portfolio Holder, the Affordable Housing Member Panel and partner housing associations on a number of potential proposals for use of the remaining funds to help meet housing need. These range from projects to support housing associations to both increase the supply of affordable housing through new-build and to raise the quality and quantity of supported housing provision within Elmbridge to more innovative ways of delivering affordable housing. As and when proposals are suitably progressed, they will be brought to Members for consideration.

Financial implications:

The proposal to commit a further £425,000 to the Elmbridge Homeownership Assistance Scheme will mean that a total of £1,590,000 has been committed to the Elmbridge Homeownership Assistance Scheme. Payments to Catalyst Housing will be made as required on a loan-by-loan basis. The loans will be secured as a second charge on the property, ranking after the mortgage. Therefore, there is the possibility that a default on the mortgage and the equity loan will result in a proportion of the loan or the entire loan not being recovered by the Council.
The equity loan will be expressed as a percentage of the property price and will be liable for repayment as a percentage of the property price at the time of sale. The amount returned to the Council after the sale of the property is therefore dependent on house prices at the time of the sale. If house prices have fallen between the date of the loan and the sale then the Council will receive less than the original loan. If the value of the property rises then the Council will receive a return on the loan.

The repayment of the loan is dependent on the person selling the property or staying there and paying the loan back in situ. In any event, the latest that the loan will be paid back will be 25 years after it was given. To date, seven of the 29 loans given have been redeemed, all yielding a return on the original investment.

The proposal to commit a further £160,000 from the Perfect Fit scheme will mean that a total of £690,000 has been committed to this project.

The Enabling Fund is funded in part by Section 106 contributions. It should be noted that some of these funds are time-limited and could be repayable to the developer if not expended within a specified time.

The balance of the Enabling Fund stands at over £4.5 million. If the proposals to commit a combined sum of £585,000 to the two schemes are agreed, then the remaining, uncommitted balance of the fund will stand at over £3.94 million.

**Environmental/Sustainability Implications:**
None for the purposes of this report.

**Legal implications:**
The proposals in this report would give effect to the Council’s power to assist in the provision of affordable housing. The Enabling Fund comprises money lawfully obtained for this purpose.

Both schemes are discretionary. The Council will not have a direct legal relationship with the households applying or taking up the schemes, with the respective housing associations taking on this role.

In respect of the Elmbridge Homeownership Assistance Scheme, the Council already has a legal agreement with Catalyst covering our respective roles and responsibilities and a Deed of Variation would need to be entered into to incorporate any uplift in the investment made.

In relation to the Perfect Fit scheme, should the continuation of the scheme be agreed and the additional funding committed, then a new funding agreement with PCHG will be agreed, largely based on the current document.

**Equality Implications:**
Increasing the supply of affordable housing and making best use of it should help the Council contribute to its objectives around equality and diversity.
**Risk Implications:**
There are financial risks to the Council in relation to the Elmbridge Homeownershi
p Assistance Scheme, in so much as the return on its investment will depend on the
timing of the loan repayments and changes in property prices, but it should be noted
that if the Council paid a grant to a housing association for an affordable housing
scheme, then there would be no return on investment. The risk of loan defaults will be
minimised by the Catalyst implementing robust assessments of applicant’s finance
before agreeing to loans. The legal agreement between the Council and Catalyst and
any operational protocols identify and minimise risks. There is a potential
reputational risk for both the Council and Catalyst concerning any future suspension
or winding down of the scheme, should funding run out whilst there are applicants still
seeking properties, but this will be mitigated by Catalyst managing cases and
expectations carefully.

In terms of the Perfect Fit scheme, there is a potential reputational risk for both the
Council and PCHG in relation to the implementation of any changes to the scheme
and / or its termination in the future, but these risks will be mitigated by PCHG
managing cases and expectations carefully.

**Community Safety Implications:**
None identified for the purposes of this report.

**Principal Consultees:**
Head of Legal Services; Head of Finance; Chairman of O&S; Council Management
Board.

**Background papers:**
None.

**Enclosures/Appendices:**
None.

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cwaters@elmbridge.gov.uk
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EXECUTIVE SUMMARY:

To advise Members of core pricing proposals for Xcel and Hurst Pool for 2016/17 and the implications of the introduction of the new Living Wage in 2016.

RECOMMENDED: THAT

(A) THE PROPOSED CORE PRICE INCREASES, AS ATTACHED IN APPENDIX A, INCLUDING THOSE WHICH EXCEED THE 1.1% RETAIL PRICE INDEX (RPIX) BE AGREED.

REPORT:

1. Introduction

1.1 Within the contract with Places for People (PfP) for the management of the Xcel Leisure Complex and Hurst Pool (2006 to 2021), the Council retains the ability to set maximum fees and charges for the following core activities:

- Swimming;
- Indoor Bowls (Xcel only);
- Sports Hall activities (Xcel only);
- Crèche (Xcel only).

All remaining fees and charges can be set at the discretion of PfP.

1.2 Under the terms of the contract, the fees and charges for the Council controlled core activities are increased by the Retail Price Index (RPIX) annually. The index for August 2015 was 1.1%.

1.3 In December 2014, Council approved that for future years, the RPIX figure be automatically applied (with rounding) as an annual uplift for Leisure and Cultural Services fees and charges. Only where proposed fees exceed the RPIX figure, would member approval be sought.

2. The Living Wage

2.1 A significant feature of the Government’s recent budget is to implement the recommendations of The Living Wage Commission and introduce the Living Wage for all employers, starting in 2016 and to be fully implemented by 2020.
2.2 In a very people dependent business, staffing is the single highest item of expenditure in operating leisure management contracts and the impact of the government’s plan for PfP is substantial. Normally, any increases in wages/salaries are covered off by fees and charges linked to indexation rises.

2.3 PfP has undertaken a detailed review of the financial impact that the Living Wage will have on its contracts and on increased National Insurance and Pension contributions. As a company, the impact of the Living Wage is an increase of £4.4m or 6.7% of PfP’s employee costs.

2.4 PfP is looking at ways of mitigating this increase but given the scale of it, they feel that the only way forward is to consider increases in fees and charges above indexation levels. With this in mind, core pricing proposals for Xcel and Hurst Pool for 2016/17 are attached as Appendix A for consideration.

2.5 There are 2 pricing bands applied to the core prices: more card and non-more card. The more card rates have historically been approximately 20% cheaper than the non-more card rates. Concessionary groups receive the more card free of charge and they can then benefit from the discounted more card rates. To minimise the impact of the Living Wage, PfP is proposing that any increase to the more card core pricing is limited to the 1.1% RPIX and that increases in excess of 1.1% are only applied to non-more card core pricing and prices outside the Council’s control e.g. gym, swim lessons. By doing this, the impact on low income groups is minimised. It also encourages people to purchase the more card.

2.6 The company appreciates that this will require approval from the Council in accordance with the contract. However, PfP believe this approval is appropriate on the basis that there are significant financial implications for the Council when the contract is retendered as the TUPE information PfP supply will reflect the increases in the Living Wage. Bidders will therefore have to allow for this in their tender. This will add significant costs to their business plans and will reduce the potential financial benefit to the Council.

2.7 The suggested increase in fees and charges is considered by PfP to be the only solution due to their contractual obligations i.e. it is neither considered appropriate nor are they able to reduce service levels, capital investment or make staff redundant etc. Furthermore, with wages increasing at a rate of 2.9% combined with high employment and the economy recovering well from the recession, PfP feel that now is a good time to have a strategic review of fees and charges. They believe that there are opportunities to be imaginative with these reviews in order that facilities and activities continue to be accessible for the most vulnerable sections of the community.

2.8 The leisure management contract for Xcel and Hurst Pool has a gain/surplus share arrangement. Unless measures are taken to mitigate the impact of the Living Wage as suggested, then the increased staff costs will have a significant adverse effect upon the surplus share mechanism and this will correspondingly diminish the benefit of the arrangement currently enjoyed by the Council.
2.9 The overall financial impact on the direct staffing costs due to the Living Wage for the Leisure Management Contract is £67,000 through to 2020 (calculated on 4.7% of £1.4 million of budgeted staff costs currently forecasted in 2016/17 PfP budgets). This calculation does not include inflationary increases in pay over the next 3 years and the costs associated to the incremental increases to the Living Wage year on year until 2020.

2.10 All other fees and charges in Leisure and Cultural Services, including public halls, will be increased by the 1.1% RPIX inflationary figure, and will be circulated to members by way of an Information Bulletin.

Financial implications:
As set out in clause 2.9 of this report.
Through to 2020, an additional overall cost of £67,000 on the Leisure Management Contract, to be met either through increased fees and charges or reduction in profit share to the Council.
The £67,000 does not include inflationary increases in pay or costs associated to the incremental increases to the Living Wage through to 2020.

Environmental/Sustainability Implications: 
None – administrative report.

Legal implications: 
None – administrative report.

Equality Implications: 
None – administrative report.

Risk Implications: 
None – administrative report.

Community Safety Implications: 
None – administrative report.

Principal Consultees: 
None – administrative report.

Background papers: 
None – administrative report.

Enclosures/Appendices: 
Appendix A – Core pricing proposals Xcel and Hurst Pool 2016/17

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01372 474580

Ian Burrows 
Head of Leisure and Cultural Services 
iburrows@elmbridge.gov.uk 
01372 474572
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## THE HURST POOL

<table>
<thead>
<tr>
<th>Charge</th>
<th>2015 £</th>
<th>1.1% Increase</th>
<th>Proposed 2016/17 Charge</th>
<th>Actual £</th>
<th>Actual % Increase</th>
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</thead>
<tbody>
<tr>
<td>Adult Swim</td>
<td>£4.90</td>
<td>£0.10</td>
<td>£5.00</td>
<td>£0.10</td>
<td>2.04%</td>
</tr>
<tr>
<td>Adult 10 Swim Tkt</td>
<td>£44.10</td>
<td>£0.90</td>
<td>£45.00</td>
<td>£0.90</td>
<td>2.04%</td>
</tr>
<tr>
<td>Adult Annual Swim</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Junior Swim</td>
<td>£2.35</td>
<td>£0.25</td>
<td>£2.60</td>
<td>£0.25</td>
<td>10.64%</td>
</tr>
<tr>
<td>Junior 10 Swim Tkt</td>
<td>£21.15</td>
<td>£2.25</td>
<td>£23.40</td>
<td>£2.25</td>
<td>10.64%</td>
</tr>
<tr>
<td>Under Three</td>
<td>Free</td>
<td></td>
<td></td>
<td></td>
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</table>

### UNDER EIGHTS

**Currently Free Under 8 (registered) per one paying Adult**

<table>
<thead>
<tr>
<th>Ticket</th>
<th>2015 £</th>
<th>1.1% Increase</th>
<th>Proposed 2016/17 Charge</th>
<th>Actual £</th>
<th>Actual % Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Ticket</td>
<td>£11.50</td>
<td>£0.20</td>
<td>£11.70</td>
<td>£0.20</td>
<td>1.74%</td>
</tr>
<tr>
<td>Spectators</td>
<td>£1.00</td>
<td>£0.00</td>
<td>£1.00</td>
<td>£0.00</td>
<td>0.00%</td>
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### Concessionary Rate

<table>
<thead>
<tr>
<th>Status</th>
<th>2015 £</th>
<th>1.1% Increase</th>
<th>Proposed 2016/17 Charge</th>
<th>Actual £</th>
<th>Actual % Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concession Adult</td>
<td>£2.10</td>
<td>£0.00</td>
<td>£2.10</td>
<td>£0.00</td>
<td>0.00%</td>
</tr>
<tr>
<td>O.A.P. (Over 60's)</td>
<td>£1.90</td>
<td>£0.05</td>
<td>£1.95</td>
<td>£0.05</td>
<td>2.63%</td>
</tr>
<tr>
<td>OAP 10 Swim Tkt</td>
<td>£17.75</td>
<td>£0.25</td>
<td>£18.00</td>
<td>£0.25</td>
<td>1.41%</td>
</tr>
<tr>
<td>People with Disabilities</td>
<td>£1.70</td>
<td>£0.00</td>
<td>£1.70</td>
<td>£0.00</td>
<td>0.00%</td>
</tr>
<tr>
<td>PwD 10 Swim Tkt</td>
<td>£12.60</td>
<td>£0.00</td>
<td>£12.60</td>
<td>£0.00</td>
<td>0.00%</td>
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## XCEL LEISURE COMPLEX

<table>
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<th>Charge</th>
<th>2015 £</th>
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<th>Proposed 2016/17 Charge</th>
<th>Actual £</th>
<th>Actual % Increase</th>
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</thead>
<tbody>
<tr>
<td>Swimming</td>
<td>£0.00</td>
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</tr>
<tr>
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### Concessionary Rate

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<tr>
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<tr>
<td>Service</td>
<td>2015 Charge</td>
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<td>Proposed 2016/17 Charge</td>
<td>Actual £ Increase</td>
<td>Actual % Increase</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-------------</td>
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<td>-------------------</td>
</tr>
<tr>
<td><strong>Sports Hall (per Court)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single Court - Peak</td>
<td>£15.00</td>
<td>£15.17</td>
<td>£15.30</td>
<td>£0.30</td>
<td>2.00%</td>
</tr>
<tr>
<td>Single Court - Off Peak</td>
<td>£11.00</td>
<td>£11.12</td>
<td>£11.30</td>
<td>£0.30</td>
<td>2.73%</td>
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<tr>
<td>Half-Hall - Peak</td>
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<td>£57.42</td>
<td>£60.00</td>
<td>£3.20</td>
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<tr>
<td>Half-Hall - Off Peak</td>
<td>£42.60</td>
<td>£43.07</td>
<td>£44.00</td>
<td>£1.40</td>
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</tr>
<tr>
<td><strong>Creche</strong></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Child per Hour</td>
<td>£3.35</td>
<td>£3.39</td>
<td><strong>£3.70</strong></td>
<td><strong>£0.35</strong></td>
<td><strong>10.45%</strong></td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>3.08%</strong></td>
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</table>
EXECUTIVE SUMMARY:

Cabinet is asked to consider the request by the Oxshott Heath Conservators to introduce a parking regulation order in their car park adjacent to Oxshott Train Station in order that the car park can be incorporated into the list of “Recreational” category car parks and thereby restricting the time visitors can stay.

RECOMMENDED: THAT

(A) THE OXSHOTT HEATH CAR PARK BE INCORPORATED WITHIN THE COUNCIL’S RECREATIONAL CAR PARKS SUBJECT TO PARKING REGULATION AND, IN EXERCISE OF STATUTORY POWERS AND FOLLOWING CONSULTATION, THE OXSHOTT HEATH PARKING PLACE ORDER BE MADE.

REPORT:

1. Following a resolution passed by the Oxshott Heath Conservators on 10 June 2014 they requested that Elmbridge Borough Council add the Oxshott Heath Car Park, adjacent to the Oxshott Train Station, to the list of “Recreational” category car parks cited in the Elmbridge Borough Council (Off-Street Parking Places) Order 2014 (‘the 2014 Order’). In July 2014 Leisure and Cultural Services received this formal request from the Oxshott Heath Conservators regarding the use of its car park adjacent to Oxshott Train Station.

2. A draft Order setting out the proposed controls and charging schemes was prepared in accordance with the Road Traffic Regulation Act 1984 (as amended). A Public Notice advertising the draft Order was published in the local press and similar Public Notices were displayed in prominent positions in and around the car park throughout the three week consultation period which commenced on 5 June 2015., In addition to press advertisement in the Surrey Advertiser, the following statutory consultees were written to:

- Surrey County Council,
- Surrey Police,
- Road Haulage Association
- Freight Transport Association
3. One response to the consultation was received. This specifically questioned the use of horse boxes within the car park and pointed out that height barriers in a number of surrounding car parks made access to the countryside by horse riders difficult. Following discussions with the Oxshott Heath Conservators the traffic regulation order was amended to allow the use of horse boxes within the car park.

4. The traffic regulation order seeks to stop commuter parking so preventing local residents using Oxshott Heath. The order does not apply a cost to any parking but has a limitation of a 4 hour maximum stay between the hours of 10 am and 4 pm.

5. Enforcement will be carried out by Elmbridge’s existing enforcement officers in Parking Services who currently visit existing car parks managed by leisure and Cultural Services once a week.

6. Time-limited parking controls will assist the Conservators in the effective management of common land and by facilitating public access. The Parking Place Order will address the mischief of commuter car parking and, following statutory advertisement and appropriate publicity, this can now be made.

Financial implications:
The cost of enforcement is likely to be met from the payment of penalties issued at the location and will to that extent be self-financing.

Environmental/Sustainability Implications:
None

Legal implications:
Oxshott Heath is owned by the Council and managed by the Conservators. The Council’s interest in the land and its regulatory powers permit it to make arrangements with the Conservators to protect public enjoyment of common land and make a Parking Place Order for the purpose.

Equality Implications:
None

Risk Implications:
None

Community Safety Implications:
None

Principal Consultees:
Countryside Consultative Group,
Environmental Services
Head of Legal Services
Services Group Accountant (Leisure)
Background papers:
None

Enclosures/Appendices:
None

Contact details:
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hwhite@elmbridge.gov.uk

Ian Burrows, Head of Leisure and Cultural Services
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iburrows@elmbridge.gov.uk
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EXECUTIVE SUMMARY:

This information report provides an update on the current performance of the Grounds Maintenance Contract.

REPORT:

1. **Update on current performance**

   Officers continue to work closely with TLG to ensure a continued improvement in service delivery. In recent months TLG have continued to show a level of improvement towards achieving the contract standards which has been encouraging.

2. **Complaint monitoring**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Bin over-flowing</td>
<td>4</td>
<td>2</td>
<td>4</td>
<td>4</td>
<td>11</td>
<td>5</td>
<td>2</td>
<td>0</td>
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<tr>
<td>Dog Bin over-flowing</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
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<td>0</td>
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<tr>
<td>Sight line grass cutting</td>
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<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>Irrigation of bedding/baskets</td>
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<td>0</td>
<td>2</td>
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<tr>
<td>Litter picking</td>
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<td>4</td>
<td>6</td>
<td>6</td>
<td>1</td>
<td>3</td>
<td>1</td>
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<tr>
<td>Amenity Grass</td>
<td>13</td>
<td>23</td>
<td>45</td>
<td>15</td>
<td>9</td>
<td>17</td>
<td>7</td>
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<td>Cemetery Grass</td>
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<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Hedge cutting</td>
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<td>2</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Amenity Planting</td>
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<td>0</td>
<td>5</td>
<td>0</td>
<td>2</td>
<td>1</td>
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<tr>
<td>Sports pitch works</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>3</td>
<td>0</td>
<td>3</td>
<td>1</td>
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<td>Sweeping</td>
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<td>2</td>
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<td>Natural cut</td>
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<td>4</td>
<td>1</td>
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<td>Verge Cut</td>
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<td>6</td>
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<td>2</td>
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<td>Total Hit KPIs</td>
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<td>71</td>
<td>40</td>
<td>31</td>
<td>30</td>
<td>16</td>
<td>4</td>
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</table>
3. **Key work areas**

<table>
<thead>
<tr>
<th>Area</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amenity Grass</td>
<td>All cut and up to date</td>
</tr>
<tr>
<td>Natural/Environmental grass areas</td>
<td>All cut and up to date</td>
</tr>
<tr>
<td>Cricket pitch renovations</td>
<td>Completed on time</td>
</tr>
<tr>
<td>Football pitch preparations</td>
<td>Completed on time</td>
</tr>
<tr>
<td>Stompond Lane</td>
<td>Pitch preparations continuing to standard.</td>
</tr>
<tr>
<td>Highway verge areas (existing separate contract)</td>
<td>All cut and up to date</td>
</tr>
<tr>
<td>Hedge cutting</td>
<td>Completed on time</td>
</tr>
<tr>
<td>Seasonal bedding</td>
<td>Spring bedding planted out on time to good standard</td>
</tr>
<tr>
<td>Maintenance of Children’s Play Areas</td>
<td>Inspection records being provided</td>
</tr>
<tr>
<td>Maintenance of Cemeteries and Closed Churchyards</td>
<td>All cut and up to date</td>
</tr>
</tbody>
</table>

4. **Conclusions**

Whilst the level of complaints are consistent with the reduced rate of growth at this time of the year, TLG are showing a steady and significant service improvement, with the recorded complaints down from the peak in June, with 71 complaints, in July 40, August 31, September 21, down to 4 in November.

In addition to the above, the Landscape Group have:

- organised community planting schemes carried out with Hersham in Bloom
- Secured a new depot in the Borough ready for the new season
- Ordered spring\summer bedding
- Agreed summer hanging basket and trough scheme for 2016.
- Planned for recruitment of further staff for the 2016 spring growing season.

Meetings between the Strategic Director and TLGs Regional Director continue with the last meeting taking place on 1 December, and another scheduled for the first week in February in time for the early growth season.

**Financial implications:**
None for the purposes of this report.

**Environmental/Sustainability Implications:**
None for the purposes of this report.

**Legal implications:**
None for the purposes of this report.

**Equality Implications:**
None for the purposes of this report.
**Risk Implications:**
None for the purposes of this report.

**Community Safety Implications:**
None for the purposes of this report.

**Principal Consultees:**
None for the purposes of this report.

**Background papers:**
None

**Enclosures/Appendices:**
None

**Contact details:**
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Ian Gayton  
Green Spaces Manager  
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