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Elmbridge Borough Council

Cabinet

Report of a meeting held on 4 July 2018

Members of the Cabinet:

- * T.G. Oliver (Leader)
- * J.W. Browne (Deputy Leader)

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| * | A.P. Burley | * | A. Kelly |
| * | G.P. Dearlove | * | Mrs. R. Mitchell |
| * | M.F. Howard | | |

Also present:

D.J. Archer, A. Davis, Mrs. C. Elmer, B. Fairbank, N. Haig-Brown, N. Houston, Mrs. V. Macleod, Mrs. M. Marshall, C.R. Sadler, S.J. Selleck, Mrs. M.C. Sheldon and Mrs. J.R. Turner

5/18 Declarations of Interest

There were no declarations of interest.

Recommendations to Council on 18 July 2018

6/18 Elmbridge Civic Improvement Fund

(Link to Council Priorities: Economic Development)

The Leader introduced the report and reminded Members that the Elmbridge Civic Improvement Fund had been established in 2009 to provide investment to make the Borough's High Streets and Town Centres more attractive shopping destinations. The Fund had been created with an initial £1 million from the Local Authority Business Growth Incentive Scheme (LABGI).

The Cabinet noted that the Scheme was available to independent businesses within Elmbridge and provided grants of up to 90% of total eligible costs for certain types of projects. To date, 261 grants had been approved for funding, which had resulted in investment of £736,531.49 in the local economy.

The Leader advised that the current available balance in the Elmbridge Civic Improvement Fund budget was £23,455.42 and in order for the Fund to continue to operate, it was proposed that £200,000 be transferred from the Strategic Reserve (Local Authority Business Growth Incentive) with the Fund being extended for a further two years until 31 March 2020. This increase in the available balance would help to continue to make the Borough's Town Centres more vibrant and improve the appearance of shopping areas.

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With regard to the Elmbridge Start Up Fund, the Leader advised that in 2015, the Fund had been created and £50,000 had been allocated from the Elmbridge Civic Improvement Fund to help ensure business start-ups in the Borough survived the crucial first year of trading.

The Elmbridge Start Up Fund was open to businesses which had yet to start operating or had been trading for under six months. The Fund provided up to £1,000 funding towards start-up costs, with projects ranging from website development to purchasing equipment. To date, 37 grants had been awarded funding, which totalled £32,172.44 in allocations.

In order to increase the balance available for the Elmbridge Start Up Fund, it was proposed that £20,000 of the monies allocated to the Elmbridge Civic Improvement Fund be allocated for this scheme.

The Cabinet fully supported the request to increase the funding for both Funds which they considered was an effective way of engaging with local businesses in the Borough. Members considered that any assistance that the Council could provide to local retailers was vital, particularly given the number of empty shops within the Borough's High Streets.

Recommended: that

- (a) £200,000 be transferred from the Strategic Reserve (Local Authority Business Growth Incentive) to increase the available balance for the Elmbridge Civic Improvement Fund;**
- (b) in accordance with (a) above, £20,000 be allocated from this amount to increase the balance available for the Elmbridge Start Up Fund; and**
- (c) the Elmbridge Civic Improvement Fund be extended for another two years until 31 March 2020.**

7/18 Recommendation from the Overview and Scrutiny Committee in respect of Painshill Park

The Leader introduced the report and informed the Cabinet that, at its meeting on 22 March 2018, the Overview and Scrutiny Committee had received a written report from Mr. Michael Gove, the former Chief Executive of Painshill Park, regarding Painshill Park activities as at March 2018.

Members noted that during consideration of the written report, it had been suggested that for future Painshill Park updates, the Overview and Scrutiny Committee receive an annual update rather than 6 monthly reports. Whilst supporting the revised reporting arrangements, the Overview and Scrutiny Committee also proposed that should the Chief Executive of Painshill Park have a matter that was pertinent for the Committee to be made aware of, arrangements should be made for this to be reported as and when required.

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The Leader invited Councillor Mrs. J.R. Turner, Group Leader of the Hinchley Wood Residents' Association Political Group, to address the meeting. Whilst supporting the proposed change in reporting arrangements, Councillor Mrs. Turner requested that Painshill Park be asked to notify the Council when any of its management board / senior members of staff leave their organisation. The Leader supported this approach and it was suggested that this additional request be included within the correspondence to Painshill Park advising them of the change in reporting arrangements.

On consideration of the recommendation from the Overview and Scrutiny Committee, the Cabinet

Recommended: that for future Painshill Park updates the Overview and Scrutiny Committee receive an annual report rather than six monthly reports. However, should the Chief Executive of Painshill Park have a matter that was pertinent for the Overview and Scrutiny Committee to be made aware of, arrangements would be made for this to be reported as and when required.

8/18 Investment Property Portfolio Report

(Link to Council Priorities: All)

The Portfolio Holder for Resources introduced the item that set out the first annual report on the Council's investment property portfolio.

The Cabinet noted that there were 13 investment properties within the portfolio and at the end of March 2018, the investment properties held by the Council had been valued at £74.015 million. Whilst the gross rental income received during 2017/18 had been £3.1 million, it was noted that at 2018/19 rent levels, these investment properties, which included those investment assets already owned by the Council prior to 2012, would produce a total of £3.8 million gross annual income.

As outlined in the report, whilst the majority of the property owned by the Council was managed in-house within the Asset Management and Property Services team, the multi-tenanted investment properties were increasingly managed by external managing agents given that they had the expertise and resources to deal with the intensive nature and large service charges often attributed to these types of assets.

Members noted that when acquiring properties, officers would use external agents to advise on the purchase which provided an independent view and also benefitted from their external expertise, to ensure the best result was achieved and the Council's position was fully protected.

The Portfolio Holder advised that individual property asset management plans were produced for each of the investment properties to help manage the asset. These plans set out a brief synopsis of the key criteria of the investment property and included tracking the value together with a clear short to medium

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term strategy for each individual property. These asset plans were reviewed and updated on a quarterly basis and provided a clear picture of the property, its strategy and what the Council was looking to achieve moving forward.

The Portfolio Holder also provided an update in respect of the Property Acquisition Strategy. Whilst acknowledging that the Strategy had been considered and approved in 2012 and then again in 2014, the opportunity had been taken to review the investment criteria, taking into account the Council's Council Plan and property market trends and outlook. In light of the review, the Cabinet noted that it had been considered that the previously agreed investment criteria were still valid.

In respect of the strategic aims of the Council's investment property portfolio, whilst the Council had decided not to look at specific sector weightings for the investment properties held, it was agreed that consideration should be given to not place too much reliance on a specific sector so as to ensure a balance was created and the risk was spread across all sectors, albeit still within Elmbridge Borough boundaries. In addition, an increased focus should be on regeneration benefits of purchasing certain assets within the Borough; not necessarily at the expense of income on the asset but an additional consideration / benefit in considering whether to purchase an asset. The hold period of an asset should also be considered on purchase and as part of the approval process, whether short term to meet regeneration requirements or long term where a single let investment provided a long term stable rental income for the Council.

The Leader invited Councillor S.J. Selleck, Group Leader of the Residents' Associations Political Group, to address the meeting. With regard to the current property portfolio, Councillor Selleck reminded Members that whilst the Council had invested £70 million in purchasing investment properties, £47 million of this amount had come from borrowing. Accordingly, he considered that when reporting the gross annual income for 2018/19 in respect of rent levels for these properties, the cost of the borrowing should also be included.

Whilst noting that the 2018/19 rent levels of £3.8 million had been reported as gross annual income, the Leader agreed that in future reports, the borrowing costs be included to make it clearer. He commented that the Property Acquisition Strategy had been supported by all the Political Groups and as a Council, a prudent and sensible approach to investments had been taken. He further commented that it was important to continue to maintain a balanced property portfolio and he hoped the current approach taken would continue in the future.

Recommended: that

- (a) the progress made in implementing the Property Acquisition Strategy be noted; and**

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(b) the strategic aims of the Council's Investment Property Portfolio continue as set out in the report.

9/18 Establishment of wholly owned Housing Companies and Business Plan

(Link to Council Priorities: Community Wellbeing – Help meet the need for affordable housing through a housing company owned by the Council (Ref: H2))

The Portfolio Holder for Housing introduced the report and reminded colleagues of the decisions made by the Council on 21 February 2018 to establish local authority owned housing companies.

In this regard, the Cabinet was asked to consider and recommend approval of a range of decisions that would establish two companies and adopt a business plan and budget. An operational structure was also proposed that would provide the Council with a set of controls ensuring transparency and accountability over the activities of the companies.

The Portfolio Holder advised that the key points that required consideration by the Cabinet were as follows:

- the structures and relationships between the Council, EBC Investments Ltd. and EBC Homes Ltd. which had been fully described in the report by Browne Jacobsen and reflected the best possible legal structure to enable delivery of the Business Plan, given the scale and context of the anticipated development programme of the companies;
- the tax advice provided by PricewaterhouseCoopers (PWC);
- the request for delegated authority which set out the decision-making capabilities of each company. It had been confirmed that the Council, via the Shareholder Board, would retain ultimate overall control of the activities of EBC Investments Ltd. and EBC Homes Ltd.;
- by approval of the Business Plan, Budget and related matters, the Council would be delegating the operational responsibility to deliver the targets contained within the Business Plan to EBC Investments Ltd. and by extension to EBC Homes Ltd.; and
- the Council, via the Shareholder Board, would hold the Boards of EBC Investments Ltd. and EBC Homes Ltd. accountable for the operational performance of each company.

The Cabinet noted that the planned scale of development activity would ultimately be governed by:

- the capacity of the companies to acquire land / sites / projects that would deliver the targeted number of homes;

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- securing planning consents; and
- the viability and deliverability of identified projects.

The Portfolio Holder advised Members of the actions that had been taken to implement the Council's decisions made on 21 February 2018 and the work that was still to be completed, the details of which were outlined in the report. The work still to be completed would be planned, delivered and monitored by EBC Homes Ltd. and EBC Investments Ltd. under the scrutiny of the Council and the Shareholder Board through formal reporting and monitoring requirements. Members acknowledged that the Business Plan had included some potential sites which would need to be reviewed and progressed as part of the Council's decision-making process. It was noted that approval of the Business Plan did not mean that the potential sites identified were being approved for development.

With regard to the legal and tax advice, having taken into account the advice provided by the Council's external advisers, the best fit for the Council, given the context of the business plan, was to establish a company limited by shares. A proposed structure was set out in the report which it was noted was largely the same as was considered by the Council on 21 February 2018. The proposed structure would enable the Council to add, or remove, subsidiaries under EBC Investments Ltd. to suit the prevailing corporate requirements of the Council in the future.

To ensure the successful delivery of the Business Plan, a number of key challenges and actions required had been identified, the details of which were outlined in the report. The key challenges included:

- lack of development sites;
- affordability risks;
- planning consent risks;
- sales risks;
- a lack of development expertise; and
- governance risks and management risks.

As the officers of the Council appointed to serve on company boards would be non-remunerated, it was right to extend lawful protections from personal liability when they were acting in their company roles. Accordingly, it had been recommended by the external legal advisers that the Council grant appropriate indemnities to Directors when carrying out official company duties. The Local Authorities (Indemnities for Members and Officers) Order 2004 gave a specific power to authorities to grant indemnities and / or take out insurance to cover the potential liability of Councillors and officers in a wide range of circumstances. Members acknowledged that these indemnities did not cover any findings of criminal liability or liability arising from fraud, deliberate wrongdoing, or the cost of pursuing a defamation claim. It was also recommended that the indemnity be extended to the role of non-executive or independent members of the company boards.

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Whilst a Member Briefing had been held the previous week for those Members appointed to the Cabinet, Shareholder Board and the Affordable & Social Housing Working Group, the Portfolio Holder advised Members that a further briefing had been arranged for all Members of the Council on Wednesday 11 July 2018 at 6.00 p.m.

In respect of the financial implications, the Portfolio Holder for Resources took the opportunity to advise Members that EBC Investments Ltd. and EBC Homes Ltd. would need / incur operational costs for the initial set up but also on an ongoing basis. In the early years and until the Housing Companies started to receive rental income, the Council would need to provide a start-up loan which could be repaid to the Council on a pre-agreed interest rate and repayment period. In this regard, it was recommended that a loan of £250,000 be made available by the Council for this purpose.

On consideration of the recommendations, the Leader proposed an amendment to Recommendation (g)(iii) of the report. In this regard, the wording of the recommendation would be amended to read 'Board member training be provided for Board Members of each company', which the Cabinet supported.

During consideration of the report, the Portfolio Holder for Planning Services commented that this was an item that had received cross-party support from its inception and he was pleased to see that it was being progressed. Given that the Council did not have experience of residential property development or management, he hoped that those persons with development and affordable housing development experience would apply for the role of the independent chairperson, which would enable them to make a proper contribution to life in Elmbridge. With regard to training, he also highlighted that those Members of the Council that would be shareholders would also need training on the legal rights and responsibilities of shareholders.

The Leader then invited Councillor A. Davis, Group Leader of the Liberal Democrat Political Group to address the meeting. Councillor Davis supported the establishment of wholly owned Housing Companies and given the technical and legal implications, highlighted the need to look at the detail and attend the training / briefings as appropriate.

The Leader then invited Councillor S.J. Selleck, Group Leader of the Residents' Associations Political Group to address the meeting. Whilst supporting the Council granting a loan of up to £250,000 to the Housing Companies, Councillor Selleck queried the pre-agreed interest rate and repayment period. The Strategic Director and Deputy Chief Executive commented that once the report had been approved by Council, legal tax advice would be sought from the expert advisors to work out an agreed rate. She further advised that as EBC Homes Ltd. and EBC Investments Ltd. would be trading companies, the Council could not give them any advantages so would therefore have to charge an agreed rate that was similar to a commercial rate.

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- (a) the formation of EBC Investments Ltd. and EBC Homes Ltd., with governing Articles of Association and a Delegations Matrix, as attached to the report, be approved;**
- (b) the Business Plan, budgets and initial operational plans for each of the companies be approved;**
- (c) the professional advice of the Council's appointed legal advisors, Browne Jacobson LLP, be considered and noted;**
- (d) the tax advice of the Council's appointed financial and tax advisors, PricewaterhouseCoopers [PWC] be considered and noted;**
- (e) Council officers appointed to the Boards of EBC Investments Ltd. and EBC Homes Ltd. be granted indemnities pursuant to the Local Authorities (Indemnities for Members and Officers) Order 2004 and non-Council appointees as Directors of the said companies be indemnified on no less favourable terms;**
- (f) an Independent Chairperson, to serve on the Board of EBC Homes Ltd., be recruited;**
- (g) the trading and development activities for both companies be initiated as soon as the four conditions below are met:**
 - i. the Council approves this report and its recommendations;**
 - ii. appointments to the Boards of each company are made, noting that EBC Homes Ltd. may need to make interim arrangements until the recruitment of an independent Chairperson is concluded;**
 - iii. Board member training be provided for Board Members of each company;**
 - iv. the requisite governance and administrative arrangements are in place to ensure that both companies operate efficiently and lawfully;**
- (h) authority be delegated to the Strategic Director and Deputy Chief Executive, in consultation with the Portfolio Holders for Housing and Resources, to settle the final forms of company documentation, including necessary filings with Companies House, to give effect to these recommendations and the decisions of the Council;**
- (i) the Council grants a loan of up to £250,000 to the Housing Companies at a pre-agreed interest rate and repayment period;**

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- (j) **the suite of documents requiring noting and / or approval (that were appended to the report) be identified as follows:**
- i. the Business Plan [2018-2023];**
 - ii. the Budget [2018 to 2019] for EBC Investments Ltd.;**
 - iii. Articles of Association for EBC Investments Ltd.;**
 - iv. delegations to EBC Investments Ltd.;**
 - v. the Budget [2018 to 2019] for EBC Homes Ltd.;**
 - vi. Articles of Association for EBC Homes Ltd.;**
 - vii. delegations to EBC Homes Ltd.;**
 - viii. operational Plans for EBC Investments Ltd. and EBC Homes Ltd. for 2018 to 2019;**
 - ix. legal advice report from Browne Jacobson LLP; and**
 - x. tax advice from PricewaterhouseCoopers (PWC).**

10/18 Refurbishment Proposal - Public Hall, Church Road, Weybridge

(Link to Council Priorities: All)

The Portfolio Holder for Resources introduced the report and reminded colleagues that in June 2016, a sum of £1,789,000 had been agreed and set aside for the refurbishment and conversion of Weybridge Hall. Having considered a number of possible uses for the Hall, the use as a cinema on the ground floor had been explored which it was felt would enhance and regenerate that end of Weybridge High Street.

In this regard, Members noted that since June 2016, additional work had been undertaken which included full surveys of the current building; a full design of the scheme to enable planning permission to be obtained; and the potential identification of a preferred cinema operator for the ground floor.

To enable delivery of the project, the Portfolio Holder advised that a decision had been made to work with Kier Construction (Southern) through the SCAPE Minor Works Framework which would protect the Council throughout the pre-construction stage and full construction of the scheme as well as having the appropriate indemnities and warranties in place. It was noted that by utilising the SCAPE procurement route, the contract value had increased by 0.5%. To date, the pre-construction costs had been in the region of £225,000. This cost had been essential to ensure the design met the planning requirements and complex issues such as acoustics.

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The Cabinet noted that as part of the planning process and to enable the exact costings for the scheme to be identified, various surveys had been undertaken as part of the pre-construction work. As a result of this work, a number of aspects of the scheme had to be changed in order to make it planning permission compliant. This included the number of affordable units being reduced from six units to five units; the employment of an acoustics consultant given the use of the ground floor as a cinema; the establishment of a Noise Management Plan; and the discovery of a large amount of asbestos throughout the building.

In light of the pre-construction work, the Portfolio Holder reported that in March 2018, full planning permission had been granted to convert Weybridge Hall into a cinema on the ground floor with 5 affordable units on the upper floors.

An update in respect of the building and construction costs was also provided and Members noted that whilst the number of units had gone down from six to five, there had been an 8% percentage increase on the construction costs for the residential element. In addition, with regard to the cinema conversion, the construction costs had increased by 16% to cover the acoustic panelling and the podia for the seats.

The Portfolio Holder reported that now the revised costs had been submitted, which included both the preliminaries; design fees; overheads and profit; provisional sum; and pre-construction work; the actual additional cost to the revised scheme was £510,000. This sum equated to an additional £285,600 for the cinema element and £224,400 for the residential aspect.

During consideration of the report, the Portfolio Holder for Environment and Transport commented that Weybridge Hall had been under-utilised and its condition continued to decline. As works had commenced on site, he considered that the project should continue given that it would enhance and help to regenerate Weybridge High Street.

The Leader then invited Councillor N. Houston, a Long Ditton Ward Councillor, to address the meeting. Councillor Houston raised concern about the cinema element of the project and queried what the implications would be to the Council if the prospective cinema operator was to withdraw from the lease. With regard to the residential element of the project, he also queried the legal position in respect of the Right to Buy Scheme. In response to the concern regarding the cinema operator, the Leader advised that any operator would be making a capital contribution to the fit out of the cinema and therefore would have a commercial incentive to make it work for them. If the cinema proved to be commercially unsuccessful, protection for the Council would be included within the legal agreement and associated documentation. In respect of the query regarding the Right to Buy Scheme, the Strategic Director and Deputy Chief Executive confirmed that as a result of the proposed transfer of residential properties to the housing company (such body not being a local authority landlord), no statutory Right to Buy would arise.

Recommended: that

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- (a) following the grant of the planning permission for 4 x one bed and 1 x two bed affordable units and a cinema, it be noted that the total cost of the project had increased to £2,300,000 and that the additional sum of £510,000 would be added to the 2018/19 Capital Programme;**
- (b) a New Engineering Contract (NEC) design and build contract with Kier be signed for the sum as highlighted in Appendix A of the report (Part II) in respect of the overall construction costs for the scheme; and**
- (c) an element of this additional sum be funded from the Affordable Housing Enabling Fund in respect of the residential element at a figure of £650,000 (an increase of £230,000) with the balance of £1,200,000 (an increase of £280,000) from Capital receipts which relates to the cinema and part residential element.**

11/18 Parks Tennis Summer Promotion

(Link to Council Priorities: P1, P2, P3)

The Portfolio Holder for Leisure and Culture introduced the report and reminded the Cabinet that the Council had launched the new Parks Tennis Scheme (including booking and gate access system in seven venues) and introduced fees and charges across all twelve parks tennis venues in June 2017.

In light of the significant feedback from residents in the summer of 2017, a number of changes had been made to the Scheme, which included a new free tennis membership with free court access all year round for 2 hours a day every weekday at every venue.

The Portfolio Holder reported that whilst there had been some local opposition to the Scheme, overall memberships and pay & play access had been on or ahead of target for the first full year of operation. However, mindful of some of the continuing local concerns, a 6-week free promotional offer to coincide with the state school summer holiday from the end of July 2018 had been considered.

To administer the Scheme, and the necessary associated booking information, Members noted that the terms and conditions would be revised as follows:

- to allow a 6-week promotional offer, giving any registered user free use of courts;
- any user would need to register for a 6-week free pass in order to book (i.e. a 6-week free membership);
- this promotional offer would limit each user to a 2-hour max booking, per day (same as annual members), and could be booked up to 7 days in advance;
- it would seek to offer any existing annual member a 6-week extension of their membership; and
- there would be no change to private coaching providers.

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The Cabinet noted that as well as the proposed free 6-week promotion, officers would continue to work to promote and increase opportunities for the local community alongside the Great British Tennis weekend.

As the proposed free 6-week promotion was a change from the original model, the Portfolio Holder advised that some of the forecasted income for this current financial year might not be achievable as 6-weeks pay and play income would now be foregone, and some annual members could decide not to renew their memberships which were due for renewal during the free period. It was also acknowledged that to amend the scheme for the 6-weeks and successfully promote it would incur costs to the Council of approximately £6,500.

The position with regard to the Lawn Tennis Association (LTA) was also provided and Members were pleased to note that the LTA were comfortable that a 6-weeks free summer promotion was sustainable. However, the LTA did recognise that there would be a small financial risk at the peak of the tennis season given that this period of the summer was the greatest opportunity for when income could be generated though tennis and the park sites.

Whilst the LTA were keen to support the 6-weeks free promotion during the summer as a one off for this year, due to the long-term impact on sustainability and in light of the financial support provided by the LTA, it had been confirmed that the LTA would not be able to support this if it was to become part of an annual summer programme, or if the model was changed permanently from charged to free.

The Cabinet noted that a further review of the scheme would be presented to Members at the end of the summer period.

The Leader invited Councillor Mrs. C. Elmer, a Walton South Ward Councillor, to address the meeting. Having viewed the usage figures provided in the report, Councillor Mrs. Elmer asked the Portfolio Holder what his view was in respect of the policy for Parks Tennis given that the figures appeared to be higher than expected. The Portfolio Holder advised that sufficient data was not available to compare against previous usage and given the ongoing concerns raised by the public, he felt that the Scheme required further consideration.

Recommended: that the introduction of a 6-week summer promotion of free tennis at all twelve Council owned Parks Tennis venues be supported.

12/18 Planning Resources

(Link to Council Priorities: P1 and P3)

The Portfolio Holder for Planning Services introduced the report and advised the Cabinet that, as a result of a recent review of the planning service, a number of operational changes to improve the service had been identified.

With regard to Development Management, to maintain the current performance level of determining planning applications and providing pre-application advice, the

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planning service relied upon the constant employment of at least three temporary case officers. Given that temporary contractors were an expensive way to populate a planning service, permission was sought to recruit three additional permanent Senior Planning Officer posts (one for each of the sub area teams).

The Portfolio Holder reported that one of the operational changes proposed by the Head of Planning Services was to realign the work flow for case officers, team leaders and planning managers, the details of which were outlined in the report. Furthermore, in order to realign the work and reduce the existing backlog of overdue cases, it was proposed that the three existing temporary contract workers be retained until December 2018.

In respect of Planning Policy, the Portfolio Holder advised that the existing planning policy assistant post was a 2-year fixed term post funded from the Housing and Planning Delivery Grant (HPDG). As this fixed term post had been agreed on 3 previous occasions over the last 7 years and given that this role would support the preparation of the Local Plan and work with the Community Infrastructure Levy (CIL) / Obligations and Monitoring Officer, it was proposed that this post be made permanent and funded from the 5% CIL administration pot from 2019/20 onwards.

The Cabinet noted that it was also proposed to secure a transport consultant / consultancy to work on the evidence base studies for the Local Plan with Surrey County Council, Transport for London and Highways England. The consultant / consultancy would also support the Infrastructure Delivery Coordinator with the preparation of the Infrastructure Delivery Plan and infrastructure projects in the Borough and those which could have an implication for Elmbridge. The Portfolio Holder advised that this resource would also be funded from the CIL 5% administration fund.

Furthermore, in order to complete several key pieces of evidence for the Local Plan, the Head of Planning Services had also identified the need to extend the existing policy temporary contract until December 2018.

The Cabinet supported the proposed changes which would ensure the Council's Planning Service provided both excellent customer service and outstanding planning professionalism.

Recommended: that the findings of the review of the Planning Service be supported and the addition of officer posts (3 x Senior Planning Officer and 1 x Planning Assistant) to the permanent establishment with the budgetary provision as identified in the report, be agreed.

13/18 2017/18 Revenue & Capital Outturn and 2018/19 Budget Update

(Link to Council Priorities: All)

The Portfolio Holder for Resources introduced the report and updated Members on the Revenue and Capital Outturn for 2017/18 and the 2018/19 in-year budget.

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The Portfolio Holder reported that the Council had met the new requirement to issue the Statement of Accounts by the end of May and also noted that the collection rates for Council Tax and Business rates were at around 99%.

Members noted that in February 2017 the Council had approved the 2017/18 net budget for council tax setting purposes at £16.4 million. As a result of variations and other changes in the anticipated spend, a revised forecast figure had been reported in February 2018 which, after taking account of the movements in provisions, had predicted an expenditure in line with the approved budget. The underspend at the time of the revised estimate had been earmarked to fund the purchase of investment property. The actual outturn position was broadly in line with the revised forecast.

The overall position for the General Fund balance showed it remaining at £4.0 million, the required level set by the Council in accordance with the Medium and Long Term Financial Strategy.

The Portfolio Holder reported that the underspend of £1 million was due to various factors including employee related; operating expenses; and income (including new property purchases).

With regard to Capital outturn, the position was £48 million, an underspend of £11 million compared to the revised programme of £59 million. The Cabinet noted that in the majority of cases, the underspends had been due to a large number of projects being rephased into 2018/19.

The Portfolio Holder reported that due to circumstances beyond the control of the contractors and officers, two capital projects would exceed the approved expenditure. The two projects affected were the works in respect of the Brooklands Culvert and Drewitt's Court car park. In respect of the Brooklands Culvert, it was noted that due to the discovery of extensive asbestos, the cost of the project had increased from £286,000 to a completed cost of £341,355. It was proposed that the increase in costs of £55,355 would be funded from the Suitable Accessible Natural Green Space (SANGS) contributions received.

In respect of Drewitt's Court, it was noted that due to the challenging works required and the discovery of extensive asbestos on the ground floor, the cost of the project had increased from £1,500,000 to £1,605,333. As there were still 6 weeks of work left before the project was completed, it was proposed that the figure now allocated to the project be £1,615,000. The Portfolio Holder reported that the additional £115,000 would be funded from the planned Car Park Maintenance Reserve contribution for 2018/19.

With regard to significant issues on closing the 2017/18 Accounts, the Portfolio Holder highlighted that two issues had been identified, namely Community Infrastructure Levy (CIL); and Provisions, the details of which were outlined in the report.

With regard to Drewitts Court, the Portfolio Holder for Environment and Transport reiterated that when dealing with premises that are of a certain age

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there was uncertainty of what might be found when works commenced. He therefore suggested that when looking at projects like this in the future, perhaps a higher contingency fund should be built in especially for properties from the 1960s and 1970s when hazardous material was widely used in general construction. The Portfolio Holder for Resources agreed that this suggestion should be considered in the future.

Resolved that

- (a) the outturn for 2017/18 be noted; and
- (b) the early budget update for 2018/19 be noted.

Recommended: that an increase in the approved budget for the works on Drewitts Court (£115,000) and Brooklands Culvert (£55,000) be approved and funded from the Car Parking Maintenance Reserve and Suitable Accessible Natural Green Space (SANGS) contributions respectively.

Matters of Report

14/18 Leisure Facilities Strategy for Elmbridge

(Link to Council Priorities: Quality Services, Economic Development, Community Wellbeing)

The Portfolio Holder for Leisure and Culture introduced the report and advised the Cabinet that the contract for the management of the Borough's leisure facilities was coming to an end in 2021.

Members noted that the current Leisure Management Contract, which included the Xcel Leisure Complex, Hurst Pool and the four remaining community halls (King George's Hall, Elm Grove Hall, the Cecil Hepworth Playhouse and Vine Hall), would end on 14 August 2021. The Synthetic Turf Pitch and the Sports Hub contracts were both co-terminus with the Leisure Management Contract and in this regard, it was anticipated that both facilities would be included within the new Leisure Management Contract going forward in 2021.

The Portfolio Holder advised that in preparation for the re-tendering of the Leisure Management Contract and to help inform the procurement process, specialist consultants, Strategic Leisure, had been appointed to undertake an Indoor Leisure Facility Needs Assessment and a Leisure Management Options Appraisal, the details of which were outlined in the report.

The Portfolio Holder reported that the most prominent item would be in respect of Hurst Pool and in this regard advised that it was nearing the end of its useful life. Proposals could include the rebuilding of the Pool, the addition of two further swimming lanes and the possibility of adding another facility such as a gymnasium, so that the venue had a greater focus for the local community.

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An indicative timetable for the award of the contract was also provided and the Members noted that a report in respect of the Leisure Facilities Strategy and Management Options Appraisal would be presented to the Cabinet at the meeting in September 2018.

During the discussion, the Leader requested that all Trustees and Stakeholders, particularly for the four community halls, be notified in writing of the indicative timetable so that they were engaged throughout the process.

The Leader then invited Councillor Mrs. C. Elmer, a Walton South Ward Councillor, to address the meeting. Whilst noting the comments made regarding Hurst Pool, Councillor Mrs. Elmer considered that this facility was a relatively new Pool and, in this regard, asked the Portfolio Holder for more details. The Portfolio Holder commented that the infrastructure for a facility like Hurst Pool would become dated with time and further information in this regard would be included within the report to Cabinet in September 2018. For the purposes of clarity, Councillor Mrs. J.R. Turner advised that this facility was built some 22 years ago.

Resolved that the report be noted and that the outline timetable detailed within be agreed.

15/18 Recommendations from the Countryside Consultative Group meeting held on 29 March 2018

(Link to Council Priorities: A5, A6, P4, P5)

The Portfolio Holder for Leisure and Culture informed the Cabinet that, at its meeting on 14 June 2018, the Overview and Scrutiny Committee had considered two recommendations from the Countryside Consultative Group (CCG) meeting held on 29 March 2018.

Firstly, in respect of Milbourne Pond, the Overview and Scrutiny Committee had supported the CCG's recommendation that the Pond be redesigned in order to hold water throughout the year thus changing its morphology from a dew pond to an amenity-based resource subject to any extra costs being met by the Weston Green Residents' Association.

Secondly, with regard to a request to agree an easement for both services required by a property and for vehicular access across Ditton Common, the Overview and Scrutiny Committee had supported the CCG's recommendation that an easement for services only be agreed at this location.

The Leader invited Councillor Mrs. J.R. Turner, Group Leader of the Hinchley Wood Residents' Association Political Group, to address the meeting. As one of the Ward Councillors for the area, Councillor Mrs. Turner provided a further update regarding Milbourne Pond and confirmed that the monies required to undertake the proposed works had been raised locally. She advised that once the works had been undertaken, the Pond would retain water and therefore become an amenity-based resource. With regard to ongoing maintenance,

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Councillor Mrs. Turner commented that the local community would be looking after and maintaining the Pond in the future. In respect of the easement request over Ditton Common, given that the proposed vehicular access would be onto Hampton Court Way and as this was a busy junction, Councillor Mrs. Turner advised that it would be dangerous to agree a right of way for traffic in this location. However, an easement for services only was acceptable.

The Leader then invited Councillor Mrs. M. Marshall, a Claygate Ward Councillor, to address the meeting. In respect of Milbourne Pond, Councillor Mrs. Marshall queried the depth of the Pond once the works had been completed. For the purposes of clarity, Councillor N. Haig-Brown advised that the perched water table would be accessed to provide water for the Pond. In this regard, it was therefore noted that the additional depth would be approximately 30 cm.

On consideration of the recommendations from both the CCG and Overview & Scrutiny Committee, the Cabinet

Resolved that:

- (a) with regard to Milbourne Pond, the proposal to redesign the pond be supported subject to any extra costs involved being met by the Weston Green Residents' Association; and
- (b) an easement for services only be permitted across Ditton Common.

16/18 Strategic Spending Board Community Infrastructure Levy (CIL) Allocations - June 2018

(Link to Council Priorities: P2)

The Portfolio Holder for Planning Services introduced the report that set out the recommendations of the Strategic Spending Board.

The Cabinet noted that on 13 June 2018, the Strategic Spending Board had held an additional meeting to consider the two Council bids that had been deferred at the meeting held in February 2018. The opportunity had also been taken to present a new bid for strategic funding from the North West Surrey Clinical Commissioning Group (NWSCCG) and a resubmitted bid from Cobham Free School and Cobham Rugby & Sports Association.

The Portfolio Holder reported that the two applications from Elmbridge Borough Council had been supported and recommended for full funding.

With regard to the application from Cobham Free School and Cobham Rugby & Sports Association, the Cabinet noted that this had been deferred in order to allow extra time for the applicant to submit additional information to support the bid and to address the concerns of the Board. In this regard, a further meeting of the Board had been arranged for 12 September 2018 at 4 p.m. to reconsider the application.

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In respect of the application from the NWSCCG, the Portfolio Holder reported that this application had been supported for full funding subject to two conditions, namely the submission of a satisfactory travel plan and that satisfactory consultation be undertaken with local residents and Ward Members with regard to the parking concerns that had been raised. At the Board meeting, the decision had been made on the assumption that no planning permission was required for the move to Walton Community Hospital. However, subsequent to the meeting, the Head of Planning Services had now confirmed that planning permission would be required if the change was to proceed.

Accordingly, in light of this additional information, the Portfolio Holder requested that a further condition be added to the grant of funding on the basis that it was subject to planning permission being obtained or alternatively that there be certification from Planning Services that in fact no planning permission was required.

In addition, the Portfolio Holder raised the issue of how the Council would know that the consultation with local residents and Ward Members had been carried out satisfactorily. He commented that the first stage would be that the Clinical Commissioning Group would have to confirm to the Council that they had indeed undertaken satisfactory consultations. In this regard, he proposed that this communication be sent to all the Walton Ward Councillors who would be asked for their views. In the event that the Walton Ward Councillors were not satisfied that the appropriate consultations had been undertaken, the Portfolio Holder proposed that the final decision in respect of the application be deferred and considered at the Board meeting in September 2018.

Whilst supporting the proposed change to the recommendation from the Portfolio Holder for Planning Services and having acknowledged the concerns of the local residents in respect of parking, the Portfolio Holder for Housing agreed that this application should be deferred for consideration in September 2018 by the Strategic Spending Board when a clearer undertaking of the planning requirements was known.

The Leader then invited Councillor Mrs. C. Elmer, a Walton South Ward Councillor, to address the meeting. Councillor Mrs. Elmer supported the comments made by the Portfolio Holders for Planning Services and Housing and given that the initial advice provided to the NWSCCG was not quite right and that now that the correct advice was known, it was hoped that there would be more meetings and consultation with Ward Councillors in the future.

In light of the comments made by the Cabinet and other Members, the Leader suggested the following wording as an additional condition to the application from the NWSCCH, which the Cabinet supported:

- '3. Confirmation from the Head of Planning Services that the applicant has the requisite planning permission in place.'

The Leader then invited Councillor N. Haig-Brown, a Hinchley Wood and Weston Green Ward Councillor, to address the meeting. Councillor Haig-Brown

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advised that his understanding of the CIL process was that no monies were paid out until invoices were produced. On the basis that there would be no invoices as there was no planning permission, this issue may not need to be addressed. The Leader commented that this issue would need to be addressed at some point once the requisite planning permission was obtained or confirmation that planning permission was not required. In this regard, it was considered that a provision needed to be in place.

The Leader then invited Councillor A. Davis, Group Leader of the Liberal Democrat Political Group, to address the meeting. Councillor Davis reported that the NWSCCG had indicated that they would prefer to be located elsewhere and not at the Walton Community Hospital. He then took the opportunity to provide a brief update on the CCG's public space programme and the need to ensure that a more strategic approach was taken for the use of public spaces. Councillor Davis also highlighted the need to develop a Strategy that included a strategic vision on how CIL monies were allocated in the future as there was a need to focus on the needs of the Borough. In light of the comments made by Councillor Davis, the Leader advised that a presentation would be given to the Surrey County Council Local Committee for Elmbridge in September in respect of the Health and Wellbeing Strategy for Elmbridge and the County as a whole. This would explore where the Surrey Heartlands project would be going and where Elmbridge was positioned and what could be done to promote health and wellbeing of the Borough's residents. In respect of CIL monies, the Leader commented that Elmbridge was a leader in terms of CIL and a clear and transparent Strategy was required. He hoped this would be taken forward with a collaborative approach by all Political Groups.

The Leader then invited Councillor Mrs. V. Macleod, a Weybridge Riverside Ward Councillor, to address the meeting. Councillor Mrs. Macleod sought further clarification regarding the CIL Regulations and the approach adopted by the Council for the use of the CIL receipts, specifically the 35% of CIL that was allocated to the Strategic Spending Board. The Leader commented that the percentage allocations of CIL receipts had been agreed by Council and in view of the uncertainty regarding this issue, he reiterated the need to have a clearer process in place and confirmed that discussions in this regard would be held in the near future.

The Leader then invited Councillor C.R. Sadler, a Walton Central Ward Councillor, to address the meeting. Referring back to the application for funding from the NWSCCG, Councillor Sadler commented that he was a patient at the Fort House Surgery and to date, he had not been approached or heard anything about the proposal to move premises.

Resolved that

- (a) £18,169 be awarded to Elmbridge Borough Council in respect of an additional discus cage at the Xcel Sports Hub, Waterside Drive;
- (b) £35,000 be awarded to Elmbridge Borough Council in respect of the replacement of retractable seating at Walton Playhouse; and

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- (c) the application from the NWSCCG for the provision of GP services at Walton Community Hospital be deferred and referred back to the Strategic Spending Board on 12 September 2018 for reconsideration at following confirmation:
- (1) that satisfactory consultations with local residents and Ward Councillors had been undertaken with regard to parking concerns and the impact of additional traffic. Officers would liaise with all Walton Ward Councillors and the Chairman of the Strategic Spending Board to determine whether the condition had been met;
 - (2) that there had been the submission of a satisfactory travel plan agreement in place and prepared in consultation with Elmbridge Borough Council and Surrey County Council; and
 - (3) from the Head of Planning Services that the applicant has the requisite planning permission in place.

17/18 Street Naming and Property Numbering Charges Review

(Link to Council Priorities: All)

The Portfolio Holder for Planning Services introduced the report which outlined a proposal to review the Street Naming and Numbering charges level.

The Cabinet was advised that charging for discretionary services in connection with Street Naming and Numbering had been introduced on 3 October 2016. The total revenue generated for the period 3 October 2016 to 3 October 2017 was £28,149.

Whilst it had been proposed that the introduction of charges would aim to recover the costs incurred by the Council to provide the statutory function, the Portfolio Holder reported that the current level at which the charges had been set did not recoup the cost of the officer time spent in delivering the service. Whilst the charges for residents to change or add a name to their house would not be increased, it was proposed to increase the charges for the service provided for developers. Members acknowledged that the increase in charges was not designed to be profit making but to be set at a level to recover costs.

The Cabinet noted that comparisons with other local authorities had been undertaken when setting the proposed current level of charges.

The Portfolio Holder advised that it was proposed that a one-off increase be applied to the current charging level for street naming and numbering following a development which resulted in the creation of new properties, the details of which were outlined in the report. If agreed, this new charging schedule would be implemented from 3 September 2018.

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In addition, it was also proposed that authority be given to officers to increase the charges by the Consumer Price Index in April of each year, commencing from April 2019.

The Leader invited Councillor A. Davis, Group Leader of the Liberal Democrat Political Group to address the meeting. Councillor Davis commented that he was intrigued as to why the charges would be increased by the Consumer Price Index and not linked to labour costs. The GIS / LLPG Manager advised that this Index had been agreed following discussions with the Head of Finance. The Strategic Director and Deputy Chief Executive further commented that, when other fees and charges were looked at annually, the Consumer Price Index was used as it reflected the inflation most people experience and therefore it was appropriate to use the same principle for the street naming and numbering charges.

Resolved that

- (a) a one-off increase in the current charging levels for addressing properties and naming new streets, as set out in the report, be agreed; and
- (b) authority be delegated to the Strategic Director and Deputy Chief Executive to increase the charges in April each year in line with the Consumer Price Index.

18/18 Closing Remarks

With the agreement of the Leader, the Portfolio Holder for Environment and Transport provided a brief update to the Cabinet on the current performance of the waste collection contract. Since April and May 2018, issues have been experienced with the waste collection service. After a robust meeting, the Portfolio Holder reassured Members that the backlog of missed collections was decreasing and an action plan had been agreed with Amey to resolve the problems. He reported that the Amey team believed a number of factors had contributed to the drop-in service level including issues with holiday planning, IT problems with the reporting of missed collections and roadworks around the Borough. In addition, the unseasonably warm weather had resulted in a higher level of garden waste than was usual at this time of year. Furthermore, the crews had been emptying garden waste bins where subscriptions for the service had not been paid. The Portfolio Holder advised that to address these issues, Amey were introducing a number of IT improvements. An extra garden waste vehicle had also been introduced and Amey would be reviewing the collection data so that they would only collect from those homes that had paid the subscription. He advised that some improvement had been made since the meeting and confirmed that performance would continue to be monitored. A further in-depth meeting had been planned and he was due to attend the Overview and Scrutiny Committee on 12 July 2018 to provide a further update in this regard.

