These Minutes should be referred to in conjunction with the Minutes of the subsequent meeting of the Council, where they are presented; and for completeness to the next relevant meeting when the Minutes are adopted.

ELMBRIDGE BOROUGH COUNCIL

CABINET

REPORT of a meeting held on 8 July 2015

Members of the Committee:

* J. O’Reilly (Leader)
* T.G. Oliver (Deputy Leader)

* 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

Also present:

9/15 DECLARATIONS OF INTEREST

There were no declarations of interest.

10/15 LEADER’S OPENING REMARKS

The Leader conveyed apologies for absence from Mrs. C.J. Cross.

The Leader acknowledged the highly successful “Leisure Live” event that had been held the previous Saturday at Churchfields Recreation Ground. The weather was beautiful and drew large crowds who were involved in everything from touch tennis and rugby to karate, face painting, music and art. Whilst the event had been led by Leisure & Cultural Services, officers from Community Support Services, Organisational Development and the “Let’s Talk” team, together with various members of staff, had helped. The Cabinet thanked all the officers who had been involved in the event.

The Leader was also delighted to announce that the Council’s Planning Services Team had been awarded the “Commended” Silver award for “Planning Team of the Year 2015” in the national Royal Town Planning Institute Awards. This prestigious award recognised the strength, quality and culture across the Team and acknowledged the productivity, spirit and unity in service delivery. Whilst congratulating the Team, the Leader acknowledged that this was the 3rd award in Planning Services over the last 18 months.

The Leader also announced that the Council’s Customer Services Team were finalists in the national UK Customer Experience Awards 2015 which would be judged in September 2015. Cabinet wished the Team the very best of luck with these awards.
RECOMMENDATIONS TO COUNCIL ON 22 JULY 2015

11/15  BUDGET STRATEGY 2016/17

(Link to Council Priorities: All)

The Portfolio Holder for Resources introduced the report that presented the first stage in the Council’s annual budget planning process.

The report also updated on the Budget position for 2016/17, as was included in the Medium Term Financial Strategy (MTFS), together with details of the forecast savings required to balance the budget over the medium term in the context of the national economy.

The Cabinet noted that whilst the Council had set a balanced budget for 2015/16 and was working from a sound financial base, it remained a very challenging period. The support that the Council could provide through all of its activities to stimulate and promote economic growth, business development and job creation in the Borough remained central to the delivery of the MTFS.

The Portfolio Holder advised that the Council would seek to optimise the use of its reserve balances in delivering priorities, making decisions on a corporate basis and maximising opportunities to maintain an appropriate balance between short-term expenditure and long-term investment. Reserves would be used wisely for investments that would contribute towards financial independence and resilience for the Council.

With regard to rental income, Members noted that the Council currently generated £1.5 million which supported the revenue base budget. The Financial Strategy for the medium term was focused on reducing the reliance on Government grants by the year 2020 by continuing to invest in Property Assets to secure regular rental income and retaining more Business Rates.

Based on a working assumption, the potential budget reductions required over the medium term (2016/17 - 2019/20) had been provisionally estimated at around £4 million. This included a provisional assumption of a modest 2% annual increase in the Borough element of the Band D Council Tax from 2016/17.

Whilst a number of initiatives had been identified that would help generate savings or additional income, details of which were outlined in the report, a more radical approach was required for the Council to meet its aspiration of becoming self-sufficient by 2020. To achieve this, it was no longer acceptable to look at savings for a year at a time, but to have a strategy that identified projects that would deliver savings in the medium to long term. An example of this was the Joint Waste Contract initiative which was likely to generate saving from 2017/18. In this regard, the Council was looking at re-designing Elmbridge by having a strategy for change which would cover every aspect of the Council’s role and functions. This essentially aimed to redesign the Council and its services to ensure it could continue to deliver quality services that made a difference to people’s lives.
During the introduction, the Portfolio Holder also took the opportunity to update Members following the summer Budget which the Chancellor of the Exchequer had presented to Parliament that day. Whilst the Councillors were already aware of most of the announcements, there would be a significant change to welfare benefits which would have an impact on some residents and therefore could have an impact on the Council's Council Tax collection levels.

The Cabinet welcomed the comprehensive report and thanked the Strategic Director & Deputy Chief Executive and the Finance Team for all their work in this regard.

**RECOMMENDED: THAT**

(A) THE UPDATED REPORT AND OVERALL APPROACH TO THE PREPARATION OF THE 2016/17 BUDGET, BE AGREED;

(B) AN ESTIMATED BUDGET SHORTFALL OF OVER £4 MILLION FOR THE PERIOD OF THE MEDIUM TERM FINANCIAL STRATEGY WHICH COVERED THE FOUR YEAR PERIOD 2016/17 THROUGH TO 2019/20, BE NOTED;

(C) OFFICERS BE ASKED TO IDENTIFY SAVINGS FOR THE NEXT TWO YEARS, WITH A MORE IMMEDIATE TARGET OF £1 MILLION FOR 2016/17;

(D) OFFICERS WORK UP DETAILED SERVICE PLANS AND BUDGET PROPOSALS IN LIAISON WITH RELEVANT PORTFOLIO HOLDERS AND IN ACCORDANCE WITH COUNCIL PRIORITIES;

(E) THE USE OF REVENUE RESERVES OVER THE MEDIUM TERM BE CONSIDERED, WHilst MAINTAINING THE REQUIRED GENERAL FUND BALANCE IN ACCORDANCE WITH THE MEDIUM TERM FINANCIAL STRATEGY; AND

(F) THE OUTLINE HIGH LEVEL BUDGET TIMETABLE, AS SET OUT IN SECTION 11 OF THE REPORT, BE NOTED.

12/15 INDEPENDENT REMUNERATION PANEL – RE-APPOINTMENT OF THE PANEL

(Link to Council Priorities: All)

The Leader of the Council introduced the report which asked the Cabinet to consider the ongoing arrangements in respect of the membership of the Independent Remuneration Panel.

Given the knowledge and experience acquired by the existing Panel members, it was proposed that the current membership of the Panel be extended for a further period with the term of office expiring at the end of the 2015/16 Municipal Year.
Informal enquiries had been made of the Panel members as to whether they would be prepared to continue to serve, and each had indicated their willingness to do so. On the basis of continuing to proceed with these arrangements, it was considered appropriate to reconsider the membership of the Panel at the start of the 2016/17 Municipal Year.

The Leader also commented that, as the final recommendations in respect of the Local Government Boundary Commission for England’s Electoral Review for Elmbridge were due to be confirmed to the Council by the end of 2015, it was likely that the Independent Remuneration Panel would wish to undertake a significant review of the Council’s Members’ Allowances in preparation for the Municipal Year 2016/17.

Having considered the proposal and whilst acknowledging the work to date of the existing Independent Remuneration Panel, the Cabinet supported the existing membership of the Panel being extended for a period expiring at the end of the 2015/16 Municipal Year.

RECOMMENDED: THAT THE CURRENT MEMBERSHIP OF THE INDEPENDENT REMUNERATION PANEL BE EXTENDED FOR A FURTHER PERIOD WITH THE TERM OF OFFICE EXPIRING AT THE END OF THE 2015/16 MUNICIPAL YEAR.

13/15 RIVER THAMES SCHEME - UPDATE AND FEASIBILITY COSTS

The Leader of the Council introduced the item and advised that the River Thames Scheme had been in development for many years. However, in light of the flooding in 2014 there was now a sense of urgency both locally and in Central Government.

The Leader reminded Members that the intention of the River Thames Scheme was to reduce flood risk in communities between Datchet and Teddington as this stretch of river had the largest area of developed floodplain in England without flood defences.

The Cabinet noted that the Environment Agency was the lead agency working on the Scheme and in this regard the following had been established:

- a Sponsoring Group which consisted of the Leaders from all 7 local authorities along this stretch of river and representatives from the Department for Environment, Food and Rural Affairs (DEFRA), The Treasury and Thames Water;
- a Programme Board of senior officers from the 7 local authorities and other public bodies which would oversee the development of the scheme; and
- Working Groups including planning and finance.
A series of initiatives were currently being worked on, the details of which were outlined in the report, and from an Elmbridge perspective, the works that would have a major effect on the Borough i.e. the construction of the weirs, had been brought forward to commence in 2017. In this regard, the Borough would see the benefit from the Scheme at an earlier date than previously estimated.

The Leader advised that there was currently a funding gap in the Scheme and part of this related to the feasibility work that was required to develop the Business Plan. In this regard, the Environment Agency had asked Council Leaders to consider providing funding to at least meet the gap in the feasibility study funding. In light of discussions about a fair basis for sharing contributions, the Council was asked to agree a contribution of £12,920 per year for the next 5 years which would be met from the New Homes Bonus.

The Cabinet supported a funding contribution of £12,920 per year for the next 5 years which was considered to be a modest figure given the importance of this issue to the residents of the Borough. It was also noted that at some point in the near future, the Council would be asked to consider a more significant capital sum in respect of the actual construction costs.

**RECOMMENDED: THAT THE DEVELOPMENT OF THE RIVER THAMES SCHEME BE SUPPORTED AND A FUNDING CONTRIBUTION TOWARDS THE FEASIBILITY STUDY OF £12,920 PER YEAR FOR THE NEXT 5 YEARS BE MET FROM THE NEW HOMES BONUS.**

14/15 REVIEW OF PARKING CHARGES: 2016/17 - 2018/19

(Link to Council Priorities: A vibrant and thriving Elmbridge)

The Portfolio Holder for Highways and Transport introduced the item and reminded Members that at its meeting on 5 December 2012, the Council agreed a three-year schedule for increased parking charges to ensure the Council’s charges remained competitive, whilst maintaining strategically important income levels. It was noted that the final year of the schedule was 2015/16, and therefore Cabinet was asked to give consideration to a further three-year schedule for the period 2016/17 to 2018/19.

In light of analysis undertaken of the level of actual ticket sales and associated income levels at each car park type to determine whether the schedule had materially affected parking demand, this revealed that ticket sales levels had been consistent over the last few years, which did not indicate any noticeable change in driver behaviour.

In order to ensure the charges remained competitive, Cabinet was asked to consider a number of modest increases over the coming three years, although some charges were recommended to stay unchanged for one or more years.

With regard to Town Centre Car Parks, it was proposed to continue the yearly 10 pence per hour increase for short term stays of 1 and 2 hours. In addition, whilst the current cost of an annual season ticket in a Town Centre Car Park represented a 60% discount compared to purchasing an all-day ticket on each
day (Monday to Saturday), it was proposed that the discount be reduced by 5% each year to reduce the discount to 45% which was still a significant reduction and good value.

With regard to Village Car Parks, it was proposed that the 30 minute charge be increased by 10 pence each year, and the all-day charge by 50 pence each year. The proposals also included the continuation of a yearly 10 pence per hour increase for short-term stays of 1 and 2 hours.

With regard to Commuter Car Parks, it was proposed to continue to increase the all-day charge by 50 pence each year rising from the current £6.50 to £8.00 and to maintain the off-peak charge at £2.50 for the first year increasing to £3.00 in year 2. In addition, whilst the current cost of an annual season ticket in a Commuter Car Park represented a 35% discount compared to purchasing an all-day ticket on each day (Monday to Saturday), it was proposed that the discount be reduced by 5% in year 3 only, to 30% which still represented a good discount.

The Portfolio Holder commented that whilst these small increases in parking charges would generate income for the Council, over the next few years there was a need to undertake maintenance in a number of the Borough’s car parks which would result in considerable monies being required. Of particular note were Drewitts Car Park in Walton; Weybridge Car Park; and Downside Road Car Park in Cobham.

Whilst the review of the existing charges had included the detailed consideration of the introduction of various new charges within the next three years, specifically Town Centre Car Park evening charges; a Town Centre Sunday charge; and a Commuter Car Park Sunday off-peak charge, the Portfolio Holder advised that it was not proposed to introduce any of these new charges as a result of the review.

The Cabinet noted that, whilst in previous years the revised charges had been introduced in April, for these specific revised charges, it was proposed that they be introduced from January each year i.e. typically with effect from the first Monday of each New Year, for example, the first year of the revised schedule from Monday 4 January 2016.

Whilst noting that it was proposed to continue to suspend parking charges in the town centre (and village car parks) in the days preceding Christmas in support of local business under the delegated authority granted to the Portfolio Holder for Highways & Transport, one Member asked whether notification of the specific days could be publicised to the local businesses at an earlier stage. Whilst agreeing to provide this information as soon as practicable, the Portfolio Holder also commented that as well as posters within the car parks etc. the information would be promoted via the Council’s social media channels.

The Leader also invited Councillor S.J. Selleck, Group Leader of the Residents’ Associations Political Group to address the meeting. Councillor Selleck sought clarification regarding the recommendations as he believed that
recommendation (A) included reference to the new charges in respect of Town Centre Car Park evening charges; a Town Centre Sunday charge; and a Commuter Car Park Sunday off-peak charge. The Portfolio Holder for Highways and Transport confirmed that those particular charges had not been included within recommendation (A) and that the report clearly stated that charges in this regard would not be introduced.

Councillor Selleck also commented that the implementation date of the proposed new parking charges was a similar debate to that when the parking charges were revised 3 years ago. Councillor Selleck referred to the Council meeting in February 2015, where no increases in fees and charges for the 2015/16 financial year had been agreed. He commented that a balanced budget had been agreed by Council and that these recommendations in respect of parking charges would be changing what was agreed in February 2015. He was of the view that these charges should be considered at the appropriate time when all other fees and charges were to be considered by Council. He further commented on the rationale behind the implementation date of January and stated that he was uncomfortable with this and asked Cabinet to reconsider Recommendation (B).

Whilst noting that these recommendations would be considered by Council on 22 July 2015, the Cabinet

**RECOMMENDED: THAT**

(A) THE THREE-YEAR SCHEDULE FOR REVISED PARKING CHARGES FOR THE FOLLOWING, BE AGREED:

(I) TOWN CENTRE CAR PARKS, AS SET OUT IN APPENDIX C (PAGE 1) OF THE REPORT;

(II) VILLAGE CAR PARKS, AS SET OUT IN APPENDIX C (PAGE 2) OF THE REPORT;

(III) COMMUTER CAR PARKS, AS SET OUT IN APPENDIX C (PAGE 3) OF THE REPORT;

(B) THE THREE-YEAR SCHEDULE FOR REVISED PARKING CHARGES BE IMPLEMENTED FROM JANUARY EACH YEAR, COMMENCING JANUARY 2016.

15/15 STOMPOND LANE - DISPOSAL AND DEVELOPMENT OF THE SITE

(Link to Council Priorities: All)

The Portfolio Holder for Resources introduced the report and reminded the Cabinet that in January 2014, outline planning permission had been granted for 30 residential units, a care home, a nursery, office and doctor’s surgery on the site of the Stompond Lane Sports Ground.
As Waterside Drive and Stompond Lane were intrinsically linked, in order to undertake the development at Waterside Drive, it was necessary for the sale of Stompond Lane to achieve at least a financially cost-neutral position for the Council.

In December 2014, Council gave authority to the Strategic Director and Deputy Chief Executive, in consultation with the Portfolio Holder for Resources, to appoint Property and Legal Advisers to act on the Council’s behalf. Following a procurement process, Strutt & Parker LLP were appointed as the mixed use development Agent and Sharpe Pritchard as the Legal Advisers.

Since the appointment of both the Property and Legal Advisers, discussions with the Property Appraisal Group and the Portfolio Holder for Housing, with regard to values and appropriate method of marketing and sale, had been held. Members noted that careful consideration had been given to the specific requirement on the provision of affordable housing on the site and commitments from the nearby doctor’s surgery along with the nursery and commercial office provider. In addition, consideration was also given to replacing the care home with housing.

The Property Appraisal Group had agreed that the Council’s financial interest would be protected by the inclusion of a suitable overage mechanism forming part of the conditional contract of sale, to protect the Council from increases in value as a result of any enhanced planning permission. Furthermore, the contract would have a condition which had a restriction of no more than 50 residential units along with the commercial element on site.

Arising from the four week marketing campaign that was undertaken by Strutt & Parker LLP, fifteen bids had been received in total, with the majority being in the £16 million to £20 million bracket. A leading pack of three developers had submitted bids in excess of £20 million. Of these three bidders, Developers A and B had kept to the requested proposal of 50 residential units (including 9 affordable) along with the commercial element, while Developer C had proposed 45 residential units (including 9 affordable) along with the commercial element. In addition, Developer C had also proposed an alternative which, whilst having an incorrect boundary line, had been rectified in their subsequent proposal. All three were asked for ‘best and final’ bids, details of which were outlined in the report.

The Portfolio Holder advised that all three bidding parties had been interviewed by Officers from the Council and Strutt & Parker LLP. In this regard, a scoring system had been created which judged each of the bidders on the key bid criteria. The Cabinet noted that the actual bid amount had not been revealed as it was essential that the robustness of the bids were assessed without being tainted by the financial consideration.

Having reviewed each of the three bids in detail based on the agreed criteria, both Officers and Strutt & Parker LLP had come to a unanimous agreement that Developer A presented the best proposal which was subsequently approved by the Property Appraisal Group.
The Cabinet noted that all bids had been very carefully reviewed in detail with the Council’s expert consultants and following a detailed discussion at the Property Appraisal Group, it was proposed that the sale of the Stompond Lane site be progressed and that the offer from Developer A be accepted. Even without the enhanced offer of Community Infrastructure Levy monies, this represented the most attractive offer for the Council. The offer was subject to planning and appropriation, contract as vacant possession, ground investigations, satisfactorily topographical survey and adequate service capacity, details of which were outlined in the Heads of Terms in Appendix A of the report.

With regard to helping to meet the housing needs of the Borough, it was proposed that should the scheme achieve full planning permission, then 9 affordable units be provided on-site on the basis of affordable rent rather than by way of intermediate (shared ownership). It was noted that this would result in a reduction in the bid proposed by £900,000.

It was proposed that contracts be exchanged in September 2015 and thereafter Developer A would commence work on obtaining full planning permission for the site. It was envisaged that this, along with discharging all other conditions, would take between 9-12 months.

During his introduction, whilst thanking Strutt & Parker LLP for their excellent advice to date, the Portfolio Holder also thanked the members of the cross-party Property Appraisal Group, specifically Councillors A. Davis, S.J. Selleck and Mrs. J.R. Turner, for their support with this significant project for the Council.

In accordance with Part 5-30 of the Council’s Constitution, the Leader invited Councillor C.R. Sadler to address the Cabinet in respect of the item. Councillor Sadler stated that he was extremely surprised that the advert in the Estates Gazette was seeking 50 residential units. He also considered that as a Councillor this information should have been provided to him and not been brought to his attention by his local residents. He was concerned that the Council may have no control over how the site was developed. He was also concerned about the layout of the site and whether there would still be a green space. His second concern was that the Council was being asked to approve only 9 out of the 50 residential units as affordable housing. He stated that if this was an ordinary residential planning permission the Council would be stipulating the 40% target.

The Leader thanked Councillor Sadler for his comments and stated that with regard to the advert in the Estates Gazette, all Members of the Property Appraisal Group had been notified of which Councillor Sadler’s Group Leader was a member and therefore he had been aware of this information.

During consideration of the item, one Member asked whether the final three bids had been considered on a like for like basis. The Portfolio Holder confirmed this and that whilst all of the three bidding parties were reputable developers they had all scored highly on the interview criteria scoring chart, however Developer A had scored the highest.
With regard to the restrictive covenant, the Portfolio Holder confirmed that if there was a financial consequence, then the Council would be indemnified by Developer A.

Whilst referring to the planning permission granted at Wootton in Esher, where there had been a full waiver of affordable properties on site but a contribution made to the Affordable Housing Enabling Fund which contributed towards a large number of affordable properties elsewhere within the Borough, one Member asked whether there was a realistic chance that some of the capital receipt would be put into the Enabling Fund. The Portfolio Holder advised that this had been discussed at the Property Appraisal Group and should funds permit, then a contribution may be made.

One Member queried whether, if planning permission was granted for 50 residential units on the site, the developer could come back to the Council to ask to increase the number of residential dwellings. The Portfolio Holder confirmed that the Developer would be contractually prevented from doing this.

Cabinet supported the recommendations and accordingly

**RECOMMENDED: THAT**

(A) FOLLOWING FORMAL MARKETING OF THE SITE, THE COUNCIL PROCEEDS WITH THE OFFER RECEIVED FROM DEVELOPER A FOR THE SUM, AS OUTLINED IN APPENDIX A (PART II) OF THE REPORT;

(B) THE AFFORDABLE HOUSING ELEMENT OF THE SCHEME BE ON AN AFFORDABLE RENT BASIS AND NOT FOR INTERMEDIATE (SHARED OWNERSHIP) PURPOSES THEREBY ENSURING THAT THE COUNCIL CONTRIBUTES TOWARDS MEETING ITS HOUSING NEEDS AND AGREES A REDUCTION IN THE BID, AS OUTLINED IN APPENDIX A (PART II) OF THE REPORT; AND

(C) SUBJECT TO THE AGREEMENT OF RECOMMENDATIONS (A) AND (B) ABOVE, AUTHORITY BE GIVEN TO THE STRATEGIC DIRECTOR AND DEPUTY CHIEF EXECUTIVE, IN CONSULTATION WITH THE PORTFOLIO HOLDER FOR RESOURCES, TO AGREE THE CONTRACT OF SALE.

16/15  SPORTS HUB WATERSIDE DRIVE

(Link to Council Priorities: All)

The Portfolio Holder for Resources introduced the item and reminded Members that one of the Council’s flagship projects for the year was to “Commence the redevelopment of the construction on Waterside Drive Sports Hub by October 2015”. In order to facilitate this, in February 2014 the Council agreed to use the SCAPE framework of which Willmott Dixon were the main contractor. Pick
Everard, who were also on the framework, had been appointed as both the quantity surveyors and project manager assisting the Council through the feasibility stage of the project.

The Cabinet noted that the Scheme was now at Stage 3 of the SCAPE Framework and in this regard was currently the subject of a detailed planning application. Members were pleased to note that the North Area Planning Sub-Committee on 6 July 2015 had recommended to the Planning Committee meeting on 14 July 2015 that the planning application be permitted subject to referral to the Secretary of State; receipt of satisfactory Legal Agreement; and the Secretary of State not issuing Screening Direction relating to an Environmental Impact Assessment. It was further noted that the final stage of the SCAPE processes (Stage 4) required the signing of the NEC 3 Design and Build contract (in the same way that the Elmbridge Xcel Leisure Complex had been procured) and in this regard permission was sought to undertake this.

The Portfolio Holder advised Members that whilst the land at Waterside Drive was contaminated, it could still be physically built on. Since November 2014, work had been undertaken with on-going testing of the water, soil and gas vapours from the site which had resulted in the production of a remediation statement which had been submitted as part of the planning process. Whilst it was acknowledged that the high cost of remediation of the land was the main cost in the regeneration scheme, the benefit of this approach was that a highly contaminated area would be resolved and brought back into productive use to provide state of the art sporting facilities for the local clubs and the community as a whole.

With regard to the contamination issues, whilst complex structural engineering methods during the construction process were required, these works would effectively contain the contamination and ensure it was stable and no risk to public health in the immediate and longer term. The works would also manage leaching and gas emissions to the highest environmental & safety standards, thereby enabling the development of the site.

The Portfolio Holder advised that two options had been considered before the Sports Hub was proposed in its current form however as the Sports Hub scheme could be funded from the sale of Stompond Lane and given that the Council did not want to not wanting to lose the opportunity to provide a state of the art Sports Hub that would allow the clubs to meet their full potential, the Sports Hub proposal was the best option for all the clubs and crucially for the Council Tax payer.

Whilst the overall construction cost of the scheme was £16,947,463 (excluding the Council’s professional fees, some client direct works and contingency for delivering the scheme), the Cabinet noted that the construction cost of the scheme had been broken down into various elements, as outlined in Appendix A of the report. To date, the monies spent on the scheme, including the ground investigation works, totalled £590,000. Potential savings in the scheme would continue to be looked at but it was acknowledged that the
scheme needed to be compliant and deliver all the stakeholder requirements for the future.

To ensure the Council could reclaim all the VAT on the construction costs of the sports hub without risking a breach of its 5% partial exemption limit in any financial year, the Council, before any development work commenced, was required to “Opt to Tax” and elect to waiver its exemption from VAT on the land that forms this development. By “Opting to Tax”, rental income generated from the opted site would also become subject to VAT.

The Portfolio Holder further advised that a Community Infrastructure Levy bid had been submitted to the Strategic Spending Board by Leisure and Cultural Services officers in respect of building a second 3G football pitch on the site, at the request of the clubs, which would ensure that the football clubs playing at the new facility could enhance the provision of their youth teams and ensure the financial sustainability of the facility through pitch rental income. It was noted that the monies from the Community Infrastructure Levy bid would be used to fund an additional 3G pitch, the children’s play area and an additional two lanes for the athletic track.

The cost of the scheme and the timetable had indicated that financing of the project would span two financial years and could cause cash flow and funding issues, specifically as the source of funding from Stompond Lane would be received towards the end of the development. In order to ensure that the Council had sufficient cash to meet its obligations, it was noted that the Council may need to borrow in the short-term or medium-term (up to 3 years) to ensure it had access to liquid funds. In this regard it was proposed that delegated authority be given to the Strategic Director and Deputy Chief Executive to authorise borrowing over this period.

The Cabinet noted that subject to the scheme obtaining full planning permission, and subject to the relevant conditions being met prior to any construction works, the intention was to be on site by mid-September 2015.

With regard to the best operating model for the hub once built, discussions continued to be on-going with the Council’s external legal advisors. Given the level of capital investment in developing the Sports Hub, it was essential that the Council retained meaningful control over the management and use of the hub. Members were reminded that whilst the Council was not seeking to recover the initial capital investment, it wanted to ensure that the Sports Hub was financially sustainable so that it covered its own running costs in terms of on-going maintenance, repair and sufficient funds to re-invest in the facilities.

In this regard, a draft revenue budget had been produced for the facility which would achieve a break-even position operationally. A framework arrangement whereby a facilities management expertise was sought to ensure that the Council obtained value for money on the day to day running and delivery of Sports Hub whilst retaining overall strategic control of the Hub working closely with the clubs, was currently being investigated. It was then proposed that the clubs be given individual leases on appropriate terms which would ensure that
they pay a reasonable and fair proportion of service charge to ensure the cost neutral position of the Hub. The leases would also provide for the setting up of a suitable structure with representation from each of the clubs as a means of them being able to liaise and engage with the Council in the management arrangements for the Hub. All of these arrangements would be subject to detailed discussions with the clubs before agreements and leases were signed.

The Portfolio Holder also took the opportunity to provide updates in respect of the stakeholder position and ground sharing options for Walton Casuals Football Club (FC). As Walton Casuals FC had vacated the site, the Council was in the process of surrendering their lease. In order to maintain their standing as a Ryman League Club, an alternative home ground for the Club was essential for the 2015/16 season. The Cabinet noted that officers were in advanced negotiations with Merstham FC (based in Redhill) who would be prepared to host Walton Casuals FC next season at a cost of £20,000 +VAT. In this regard, due to timing issues, the Portfolio Holder advised that there was an urgent need to agree the sum of £20,000 and therefore proposed that recommendation (H) be resolved by the Cabinet that evening.

In accordance with Part 5-30 of the Council’s Constitution, the Leader invited Councillor C.R. Sadler to address the Cabinet in respect of the item. Councillor Sadler stated that he was surprised that the Council was now faced with a request to give Walton Casuals £20,000 for them to play at Merstham for a year from this September. He commented that, as mentioned by the Portfolio Holder for Resources, the North Area Planning Sub-Committee had been well attended by numerous young people wearing the orange colours of Walton Casuals and whether there had been any connection between the two. He commented that he was aware that the Council had on numerous occasions confirmed that it would not be subsidising private football clubs however this sum of £20,000 was now required for Walton Casuals. He also asked whether Walton Casuals Football Club would be contributing any funds towards the year at Merstham Football Club, given that this Club was some 20 miles away from their current location. He further commented that he expected Walton Casuals Football Club to be delighted that they were going to benefit from the new Sports Hub and that therefore they would be happy to move out from Waterside Drive for a year. He also commented on the operating model of the Sports Hub which he considered had not progressed since the update provided to Cabinet in November 2014.

The Leader acknowledged Councillor Sadler’s comments and whilst dismayed that Councillor Sadler had questioned the integrity of the Walton Casuals Football Club, commented that the Council had asked the Football Club to vacate from Waterside Drive in preparation of the building of the new Sports Hub and therefore it had a responsibility to them for the forthcoming football season.

The Leader also invited Councillor S.J. Selleck, Group Leader of the Residents’ Associations Political Group to address the meeting. Councillor Selleck sought clarification regarding Appendix A of the report and asked whether the revised figures as at June 2015 were the final figures for the project. He further
commented that looking at Appendix A as if it was a balance sheet, certain items totalling £873,000 (5, 14, 18, 25 and 29) had been included in the figures in November 2014 but not in the revised figures. He stated that he was worried about the escalating costs of the project and queried why the cost of the Clubhouse had now increased by 30%. Whilst further commenting that the cost of the Athletics Track had increased by 50%, he did acknowledge that the cost of the concrete slab, which had increased by 300%, was acceptable as this was in respect of the capping of the contamination. He asked what assurances there were that these figures had been checked.

The Portfolio Holder advised that the revised figures for specific elements of the scheme, as at June 2015, were not the final figures as the costs continued to be negotiated with Willmott Dixon but the total cost would not exceed the reported sum. He agreed that the way the costs had been presented in Appendix A could be looked at as cost elements were finalised. With regard to the Clubhouse, discussions regarding the costs were still on-going and he confirmed that the increase in the cost of the Athletics Track was due to there now being 8 lanes instead of 6. He further stated that the costs had increased since the sum of £14,648,000 had been reported in November 2014, however this had been due to the extent of the contamination, inflation, infrastructure work and design changes.

During the discussion, one Member asked whether the Council was confident that the works would be completed in time for the Football Season 2016/17. The Strategic Director commented that the project was being progressed in two phases and the Football Club element would be completed first. A number of contingencies had been put in place and whilst it was hoped that the Walton Casuals Football Club would be able to commence the new season at the new Sports Hub, discussions had been held with the Rymans League and opportunities to schedule away matches for the Walton Casuals at the start of the new season would be taken should the facility not be completed in time.

One Member asked how restricted the facility would be in respect of sub-letting it for third parties, schools, private functions etc. The Strategic Director commented that Officers were currently looking at the operating model of the facility and how much demand there would be from the existing clubs. He further stated that the three Clubs would take up much of the capacity at weekends however it was acknowledged that opportunities for schools and community groups etc. would continue to be provided during the week. The desire was that the Sports Hub was a busy facility at all times and available as a community sports hub and not just for the Football Clubs.

With regard to the Walton Casuals being relocated to Merstham Football Ground, one Member commented that ground sharing was very common across the football community and that fans would travel to see their teams play.

The Cabinet supported the recommendations and accordingly

RESOLVED that the sum of £20,000 to host Walton Casuals at Merstham Football Club for next season during the construction process be agreed and funded from the Corporate Initiatives Revenue Budget.

RECOMMENDED: THAT

(A) SUBJECT TO FULL PLANNING PERMISSION, THE REGENERATION PROJECT ON THE FORMER LANDFILL SITE AT WATERSIDE DRIVE TO CREATE AN ENHANCED SPORTS FACILITY FOR THE COMMUNITY AT A TOTAL PROJECT COST NOT EXCEEDING £17,895,963 BE PROGRESSED;

(B) THE CONSTRUCTION OF THE PROJECT BE CARRIED OUT BY WILLMOTT DIXON WITH A CONTRACT VALUE OF £16,947,963;

(C) DELEGATED AUTHORITY BE GIVEN TO THE STRATEGIC DIRECTOR & DEPUTY CHIEF EXECUTIVE, IN CONSULTATION WITH THE PORTFOLIO HOLDER FOR RESOURCES TO EXECUTE THE NEC BUILDING CONTRACT AT THE AGREED COST OF CONSTRUCTION;

(Di) SUBJECT TO APPROVAL OF THE SALE, THE CAPITAL RECEIPT FROM THE DISPOSAL OF STOMPOND LANE BE USED TO FUND THE DEVELOPMENT AT WATERSIDE DRIVE;

(Dii) DELEGATED AUTHORITY BE GIVEN TO THE STRATEGIC DIRECTOR & DEPUTY CHIEF EXECUTIVE TO FUND THE REDEVELOPMENT FROM EXISTING CAPITAL FUNDING RESOURCES DURING 2015/16 AND 2016/17 WHICH MINIMISES THE IMPACT ON THE COUNCIL’S REVENUE ACCOUNT UNTIL THE CAPITAL RECEIPT FROM STOMPOND LANE IS RECEIVED;

(Diii) AUTHORITY BE GIVEN TO UNDERTAKE SHORT-TERM BORROWING AS REQUIRED TO MANAGE THE CASH POSITION OF THE AUTHORITY DURING THE PERIOD OF RE-DEVELOPMENT UNTIL THE CAPITAL RECEIPT IS RECEIVED;

(E) A SUM OF £450,000 BE APPROVED AS PART OF THE TOTAL PROJECT COSTS OF WHICH £350,000 RELATES TO PROFESSIONAL FEES AND £100,000 FOR THE DELIVERY OF THE PLAY AREA AND FURNITURE FOR THE CLUBS;

(F) A SUM OF £500,000 BE SET ASIDE AS PART OF THE TOTAL PROJECT COSTS, AS CONTINGENCY FOR THE PROJECT TO COVER THE RISK ELEMENTS AS OUTLINED IN APPENDIX B OF THE REPORT;

(G) FOLLOWING A SUCCESSFUL COMMUNITY INFRASTRUCTURE LEVY BID (SUBJECT TO CABINET APPROVAL), A SECOND 3G PITCH BE CONSTRUCTED AS AN ADDITION TO THE MAIN CONTRACT;
THE SCHEME KNOWN AS THE ELMBRIDGE SPORTS HUB BE OPTED FOR TAX.

MATTERS OF REPORT

17/15 PETITION REQUESTING THE COUNCIL TO EMPLOY A FULL TIME DOG WARDEN

The Cabinet was addressed by Ms. K. Nation and received details of a petition that contained 250 signatures. The petition contained the following wording:

“Elmbridge has no Dog Warden!

If your dog has been attacked by another or you are concerned about a dangerous dog, you will be advised to contact the police and the local dog warden. The Dangerous Dog Act still has a lot of grey areas which disables the police from taking much action on dogs that pose a threat to other dogs and potentially the public. However if Elmbridge Borough Council would be willing to employ a full time dog warden, they would be able to take more action by visiting dogs that have been complained about, advising the owners how to be more responsible and potentially bringing extreme cases to the attention of the police / courts if it is deemed a real threat.

At present Elmbridge Borough Council DO NOT see this as a priority. In such a green and dog loving borough we feel it is completely necessary to have one in order to keep our dogs safe.”

The Leader thanked Ms. Nation for addressing the Cabinet and invited the Portfolio Holder for Leisure and Culture to provide a response to the petition. He also confirmed that a response would be sent to Ms. Nation in the normal way.

In response to the petition, the Portfolio Holder for Leisure and Culture commented that detailed information regarding dogs, and in particular dangerous dogs, was available on the Council’s website. She further advised that whilst the Council did not have a Dog Warden, in 2011 the Council had introduced four Dog Control Orders, namely Fouling of land by Dogs or Failing to remove Dog Faeces; Dogs on Leads Order; Dogs Exclusion Order; and Maximum Number of Dogs, in order to provide a safer and cleaner environment for the Borough’s residents and visitors. The Portfolio Holder also advised that should a dog bite someone or another dog, or was very aggressive, then the Police should be contacted, however they were unable to do anything about an aggressive dog unless it was dangerously out of control in a public place.

RESOLVED that the petition from Ms. K. Nation be received and noted.
18/15 STRATEGIC SPENDING BIDS FOR FUNDING FROM THE COMMUNITY INFRASTRUCTURE LEVY

(Link to Council Priorities: P3)

The Portfolio Holder for Planning Services introduced the item and reminded Members that in April 2013, the Council began collecting the Community Infrastructure Levy (CIL). As part of its introduction, the Council became the authority responsible for allocating funds raised from CIL to support infrastructure improvements locally. In order to achieve this in a transparent manner, a Strategic Spending Board was established to consider bids for funding from infrastructure providers and which would make a recommendation to Cabinet as to those projects that should be funded. Since April 2013 over £3.2 million had been collected through CIL to be spent on strategic infrastructure. In 2014, £483,000 had been allocated to strategic infrastructure which meant that £2,810,906 was available to be allocated in 2015.

The Portfolio Holder advised that on 18 June 2015, the Strategic Spending Board had considered bids for strategic funding from CIL. Ten separate applications totalling £2,629,174 of CIL funding had been received. Whilst half of these applications were from the County Council and Elmbridge Borough Council, there were also three applications from Surrey and Sussex Police and two from local community groups. Members noted that out of these bids, the Board had recommended that 6 of the 10 bids totalling £2,351,474 be supported; two be rejected and two be deferred for consideration at a future round when further information was available. The background to these decisions and the recommendations of the Board were outlined in the report.

RESOLVED that the recommendations made by the Strategic Spending Board, as set out at Appendix A of the report, be agreed.

19/15 2014/15 REVENUE AND CAPITAL OUTTURN AND 2015/16 BUDGET UPDATE

(Link to Council Priorities: All)


Members noted that in February 2014 the Council approved the 2014/15 budget for council tax setting purposes at £17 million. As a result of variations and other changes in the anticipated spend, a revised forecast figure had been reported in February 2015 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 provide for the remediation of contaminated land. The actual outturn position was broadly in line with the revised forecast, and after taking into account the increases in provisions, resulted in approximately £16,000 being transferred into the property acquisition reserve in accordance with the Council’s policy on underspends.
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.

With regard to capital outturn, the position was £3,388,665, an underspend of £1,831,235 compared to the revised programme of £5,219,900 approved in February 2015.

Cabinet noted the continued excellent performance in respect of the collection of Council Tax, which was at 98.8% for 2014/15.

With regard to significant issues on closing the 2014/15 Accounts, the Portfolio Holder highlighted that three issues had been identified namely Accounting for Business Rates; Community Infrastructure Levy (CIL); and Provisions, details of which were outlined in the report.

Following a revaluation of the Council’s assets, the Portfolio Holder was also pleased to update that the Long Term Assets of the authority had increased significantly.

RESOLVED that the outturn for 2014/15 and the early budget update for 2015/16, be noted.

The meeting commenced at 7.00 pm and concluded at 8.30 pm

J. O'REILLY
Leader

Committee and Member Services Officer

Mrs. T. Hulse Principal Committee and Member Services Officer

Other Officers in attendance

R. Moran Chief Executive
Mrs. S. Selvanathan Strategic Director and Deputy Chief Executive
R. Lee Strategic Director
A. Harrison Head of Legal Services
Mrs. A. Williams Head of Asset Management and Property Services
Miss. C. Tidy Graduate Management Trainee

Other Officers in attendance

D. Price Strutt & Parker LLP