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ELMBRIDGE BOROUGH COUNCIL

CABINET

REPORT of a meeting held on 5 July 2017

Members of the Cabinet:

- * S.J. Selleck (Leader)
- * A. Davis (Deputy Leader)

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| * B. Fairbank | * Mrs. K. Randolph |
| * R. Green | * C.R. Sadler |
| * Mrs. R.J.M. Lyon | * Mrs. J.R. Turner |
| * Mrs. M. Marshall | |

Also present:

D.J. Archer, J. Browne, A.P. Burley, B.J.F. Cheyne, G.P. Dearlove, N. Haig-Brown,
Mrs. A.E. Hill-Purcell, A. Kelly and T.G. Oliver

11/17 DECLARATIONS OF INTEREST

A. Davis declared a pecuniary interest under the Code of Conduct in respect of agenda item 13 (Minute Nos.18/17 and 25/17 refers) – Property Acquisition Proposals, by virtue of having an interest in one of the sites identified in the Part II report. He left the room during consideration of the item.

12/17 EXCLUSION OF PUBLIC

<u>Minute No.</u>	<u>Item</u>	<u>Description of Exempt Information (Schedule 12A)</u>
22/17	Xcel Sports Hub Sponsorship Contract Award	Paragraph 3
25/17	Property Acquisition Proposals	Paragraph 3

RECOMMENDATIONS TO COUNCIL ON 19 JULY 2017

13/17 PARKING INITIATIVES

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

The Portfolio Holder for Highways and Transport introduced the report which updated colleagues on a range of parking initiatives that had been agreed in December 2016 following a comprehensive parking review.

With regard to pay monthly season tickets, the Portfolio Holder advised that whilst at present season tickets could only be purchased for a 3 or 12-month

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period, a pay monthly season ticket would now be available as part of a new web-based system. The Cabinet noted that this system, which it was hoped would be in operation by 1 January 2018, would allow customers far greater flexibility. In order to acknowledge that the cost of an annual season ticket required a full-year's payment in advance, it was proposed that the charge for a monthly season ticket be discounted by 10% less than the agreed level for an annual season ticket on the basis as outlined in the report.

The Portfolio Holder also took the opportunity to provide an update on the operational and financial implications of a pay-on-exit barrier controlled parking scheme in a town centre car park, the details of which were outlined in the report. The Cabinet noted that more often than not, these systems utilised Automatic Number Plate Recognition technology (ANPR), which would read the vehicle number plate details on entering the car park. On leaving, the driver would enter the vehicle's details to enable the system to calculate any applicable charges. The barrier controls would remain in operation at all times, although no charges would apply if a vehicle arrived and left or did not stay during a charging period.

With regard to charges for pay-on-exit parking, as these systems usually operated in very busy town centre car parks where parking demand was very high, the charges normally operated on a slightly higher tariff structure to those within pay and display car parks. In this regard, it was considered that the current charges in the Council's town centre car parks were appropriate for the introduction of a pay-on-exit scheme. Having taken into account the estimated financial implications arising from the costs, savings and income associated with the implementation of a pay-on-exit parking scheme, it was proposed that such a scheme be introduced in the Churchfields Road Car Park in Weybridge. In recognition of the additional income contribution that may arise from this and similar local parking schemes, it was suggested that the principle of 'ringfencing' the additional income in the first full-year be considered in order to support sustainable transport and highway improvement initiatives in the local area.

The Portfolio Holder also reminded Members that in December 2016, the Council had resolved to grant him, the Portfolio Holder for Highways and Transport, delegated authority to approve limited minor adjustments to parking charges for the better management and utilisation of a car park. Having undertaken detailed analysis of the busiest of the Council's pay and display town centre car parks at Esher and Weybridge for the first three months of 2017, the agreed upper and lower thresholds of 90% and 10% were insufficient, and it was felt that the upper threshold was too high to forestall some car parks from becoming full for prolonged periods at peak times. It was therefore proposed that the thresholds be revised and extended to 80% and 20%.

In addition to the changes to the thresholds, it was proposed that the following two further provisions be added to the delegated authority granted to the Portfolio Holder to enable:

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- the charging period at a car park to be extended by one or more hours at the beginning and or end of the day where the typical occupancy of the car park was at 30% or higher; and
- to enable the parking time limits at a car park, if any, to be reduced by one hour before an increase in parking charge was introduced following a capacity review.

With regard to the Walton Centre Car Parks Management Plan, the Cabinet was reminded that the capital budget to fund the major repairs to Drewitts Court car park and the new surface at the Ashley Park car park had been agreed. It was noted that the works required at Ashley Park car park were expected to commence in late July and be completed by early September 2017. Plans were also being progressed for the commencement of the repairs to Drewitts Court car park early in 2018 which would continue for an expected period of 12 months.

Members acknowledged that these improvement and repair works would severely disrupt the use of these two car parks and impact on the general parking provision in the town centre. In this regard, a management plan was being developed to mitigate the disruption & impact. In respect of Ashley Park car park, as it was expected that the car park would need to be closed to the public during the majority of the works, should any capacity be available, it was proposed that the parking controls and charges be suspended to encourage their use. On completion of the works and in recognition of the much-improved parking standards, it was proposed that the car park charges be brought in line with other town centre car parks.

With regard to Drewitts Court car park, during the local Member consultation undertaken in 2016, the Ward Members had expressed concern over the dramatic drop in ticket sales at the car park and were keen to encourage more short stay visits which included parking concessions allowing a limited period of free parking. As the repair works at Ashley Park car park were likely to exacerbate the situation, it was proposed that free parking for up to 3 hours on a Saturday be agreed. It was noted that this concession would be effective from 1 August 2017, or when the works in Ashley Park car park commenced, whichever was soonest, to 31 December 2018 or when the works ended, whichever was latest.

During his introduction, the Portfolio Holder suggested an amendment to Recommendation (C) of the report (Recommendation (D) below). Whilst delegated authority was sought for the Portfolio Holder for Highways and Transport to approve limited minor adjustments to parking charges and periods, he proposed that this be undertaken following consultation with Ward Councillors, which the Cabinet supported.

RECOMMENDED: THAT

- (A) THE CHARGE FOR A MONTHLY SEASON TICKET BE DISCOUNTED BY 10% LESS THAN THE AGREED LEVEL FOR AN ANNUAL**

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SEASON TICKET FOR THE CAR PARKS, AS SET OUT IN THE TABLE AT PARAGRAPH 7 OF THE REPORT;

- (B) A PAY-ON-EXIT SCHEME BE SUPPORTED, WITH THE SCHEME BEING OPERATED ON THE BASIS AS DETAILED IN PARAGRAPH 11 OF THE REPORT AND WITH THE PARKING CHARGES BEING SET IN LINE WITH OTHER TOWN CENTRE CAR PARKS;**
- (C) IN ACCORDANCE WITH (B) ABOVE, A PAY-ON-EXIT PARKING SCHEME BE INTRODUCED IN THE CHURCHFIELDS ROAD CAR PARK AND IN THIS REGARD THE ESTIMATED FINANCIAL IMPLICATIONS, AS SHOWN IN APPENDIX A OF THE REPORT, BE NOTED;**
- (D) AUTHORITY BE DELEGATED TO THE PORTFOLIO HOLDER FOR HIGHWAYS AND TRANSPORT, FOLLOWING CONSULTATION WITH WARD COUNCILLORS, TO APPROVE LIMITED MINOR ADJUSTMENTS TO PARKING CHARGES AND PERIODS, ON THE BASIS SET OUT IN PARAGRAPHS 20, 21 AND 22 OF THE REPORT;**
- (E) FOLLOWING THE COMPLETION OF THE SURFACE IMPROVEMENTS TO ASHLEY PARK CAR PARK, THE PARKING CHARGES APPLIED TO THE CAR PARK BE BROUGHT IN LINE WITH OTHER TOWN CENTRE LONG-STAY CAR PARKS;**
- (F) THE MEASURES TO MITIGATE THE IMPACT OF THE REPAIRS TO DREWITTS COURT CAR PARK, AS SET OUT IN PARAGRAPH 24 OF THE REPORT, INCLUDING THE CONCESSION FOR LIMITED FREE PARKING ON SATURDAYS BE AGREED AND IN THIS REGARD THE FINANCIAL IMPLICATION ON THE 2017/18 BUDGET BE NOTED; AND**
- (G) THE PRINCIPLE BE EXPLORED THAT AS PART OF THE 2018/19 BUDGET SETTING PREPARATIONS THE INITIAL FULL-YEAR ADDITIONAL INCOME ARISING FROM A PARKING INITIATIVE BE MADE AVAILABLE TO SUPPORT LOCAL SUSTAINABLE TRANSPORT AND HIGHWAY IMPROVEMENT INITIATIVES.**

14/17 AFFORDABLE HOUSING OPPORTUNITIES - REQUESTS TO DRAW ON THE ENABLING FUND

(Link to Council Priorities: H1 and H3)

The Portfolio Holder for Housing introduced the report that set out two proposals to use the Affordable Housing Enabling Fund to support local housing associations to deliver affordable housing for rent with the Council being given the right to nominate prospective tenants to the properties.

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The first proposal was in respect of a partnership between the Council and Crown Simmons to work together to help improve the supply and quality of temporary accommodation options for homeless households to whom the Council had a duty to accommodate under the homelessness legislation.

The proposal, that had provisionally been named as the “Elmbridge Property Acquisition Scheme”, involved the purchase by Crown Simmons of five two-bedroom properties on the open market within Elmbridge for use as temporary accommodation for homeless households, with the Council providing a capital contribution towards the purchase, renovation and fitting out costs. The Cabinet noted that rather than a grant, the Council’s investment would take the form of a loan recoverable at the point when Crown Simmons sold the properties, which under the proposed model would ordinarily not be for at least 15 years, during which time the properties would be let as affordable housing. The funding and nomination agreement with Crown Simmons would include the provision for the Council’s original investment to be repaid along with some uplift depending on the rise in the value of each property between purchase and eventual sale. Crown Simmons would manage the properties and the Council would have exclusive nomination rights to the properties over the course of the project. It was envisaged that the properties would be initially used as temporary housing for homeless families to whom the Council had a duty to accommodate, with average length of stays expected to be around a year.

The proposal had been informed by a financial model which had been developed by Crown Simmons in consultation with Council officers. The model contained a number of assumptions covering variables such as property purchase prices; rent levels; voids & bad debts; management & maintenance costs; inflation and property inflation over a fifteen-year period. In this regard, an allocation of £850,000, that included a buffer of £100,000, was sought from the Affordable Housing Enabling Fund to fund the project.

The business case had identified that by purchasing existing homes rather than constructing new ones, the Scheme could deliver additional temporary accommodation quickly and through joint Capital investment would deliver a greater number of homes than if either party sought to deliver the project alone. It was anticipated that the Scheme would not only improve the experiences of families at a difficult time (in terms of reducing the number of placements into bed and breakfast accommodation out of Borough) but would also help the Council’s financial position too by reducing use and expenditure on bed & breakfast and other nightly paid accommodation.

The Cabinet noted that the allocation of Council funding would be conditional on the conclusion of a funding and nomination agreement with Crown Simmons. It would also include safeguards to protect the Council’s investment in the unlikely event that Crown Simmons’ experienced financial difficulties. Rather than Crown Simmons being provided with a lump sum, the agreement would include provisions for the funding to be drawn down on a property by property basis, based on actual acquisition and on-costs.

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With regard to the second proposal, the Portfolio Holder advised that Paragon Asra Housing (PA Housing) had submitted a planning application in respect of the site at 18, 19 and 21 St John's Drive, Walton on Thames. The proposals comprised a combination of demolition, redevelopment and refurbishment, resulting in an enlarged retail unit on the ground floor and a reconfiguration / extension of the first floor to provide three self-contained flats (replacing the one existing market dwelling).

Whilst PA Housing wanted to deliver 100% affordable housing on the site, due to the specifics, it was incapable of doing so on viability grounds. In this regard, the only feasible way of delivering affordable housing through this scheme would be through the provision of an external subsidy. Therefore, it was proposed that a grant of up to £180,000 be allocated from the Affordable Housing Enabling Fund to PA Housing to support the delivery of all three homes in the St. John's Drive shops redevelopment scheme as rented affordable housing.

The Cabinet noted that the scheme would deliver two 2-bedroom apartments and one 1-bedroom apartment and would be let at affordable rent. The funding would be provided as a grant, not a loan, and in this regard the Council would secure nomination rights in return for its investment, thereby accommodating applicants on the Council's Housing Register. The funding would be conditional on the grant of planning permission and the conclusion of a funding and nomination agreement between the Council and PA Housing.

During consideration of the proposals and specifically the Crown Simmons scheme, one Member queried why Crown Simmons had proposed retaining the properties as temporary accommodation for homeless households / affordable housing for at least 15 years. The Council's Housing Strategy and Enabling Manager advised that Crown Simmons required 15 years for their financial model to work and also officers had considered that this was a reasonable timeframe for the Scheme.

RECOMMENDED: THAT

- (A) AN ALLOCATION OF UP TO £850,000 FROM THE ENABLING FUND TO SUPPORT CROWN SIMMONS TO ACQUIRE FIVE PRIVATELY-OWNED DWELLINGS IN ELMBRIDGE FOR USE AS TEMPORARY ACCOMMODATION FOR HOMELESS HOUSEHOLDS / AFFORDABLE HOUSING FOR AT LEAST 15 YEARS, WITH THE COUNCIL'S INVESTMENT RETURNED WHEN THE PROPERTIES ARE SOLD BE APPROVED;**
- (B) SUBJECT TO PLANNING PERMISSION, A GRANT OF UP TO £180,000 FROM THE ENABLING FUND TO PARAGON ASRA HOUSING, TO SUPPORT THE DELIVERY OF 3 RENTED, AFFORDABLE HOMES WITHIN THE PROPOSED REDEVELOPMENT AT 18,19 & 21 ST. JOHNS DRIVE, WALTON ON THAMES (PLANNING APP. 2017/0419) BE APPROVED;**

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- (C) THE ALLOCATIONS BE CONDITIONAL ON FUNDING AND NOMINATION AGREEMENTS BEING REACHED BETWEEN THE COUNCIL AND THE RESPECTIVE REGISTERED PROVIDERS, SETTING OUT THE DELIVERY REQUIREMENTS, THE CONDITIONS APPLYING TO THE COUNCIL'S FUNDING AND THE NOMINATION OF PROSPECTIVE TENANTS BY THE COUNCIL TO THE RESPECTIVE PROVIDERS;**
- (D) AUTHORITY BE DELEGATED TO THE STRATEGIC DIRECTOR & DEPUTY CHIEF EXECUTIVE, IN CONSULTATION WITH THE PORTFOLIO HOLDER FOR HOUSING, TO ENTER INTO FUNDING AND NOMINATION AGREEMENTS WITH CROWN SIMMONS AND PARAGON ASRA HOUSING; AND**
- (E) ANY FUTURE CAPITAL RECEIPTS RECEIVED BY THE COUNCIL UNDER THESE INITIATIVES BE PAID BACK INTO THE ENABLING FUND TO SUPPORT THE FURTHER DELIVERY OF AFFORDABLE HOUSING.**

15/17 THE CIL ALLOCATION PROCESS

(Link to Council Priorities: P2)

The Portfolio Holder for Planning Services introduced the item and advised Members that since adoption in 2013, Elmbridge had been one of the highest collecting Community Infrastructure Levy (CIL) authorities outside of London. In the four years of operation, £15 million had been collected which averaged £3.75 million per year and exceeded the £2 million per year that the Council had originally forecast.

The Cabinet was reminded that the Community Infrastructure Levy Regulations 2010 (as amended) had set out that a charging authority had to use CIL to fund the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area.

Within the Borough, CIL collected was currently allocated in the following proportions:

Taken on receipt

- Administration: 5% top slice
- Suitable Alternative Natural Greenspace (SANG): top slice - 2% on CIL collected to date

From the remainder

- 25% allocated to Local Spending Boards in which the CIL was collected
- 75% allocated to the Strategic Spending Board

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The Portfolio Holder advised that to date £7.94 million had been allocated to support improvements in infrastructure across the Borough. At the local level this had amounted to allocations of £1.83 million and at the Strategic level £6.11 million.

It was noted that in the first years of CIL, the Council had been able to support school expansions, smaller highway schemes and projects to address the leisure need within the Borough. However, to begin addressing major issues a different approach was required due to the distinct feasibility, design and delivery stages required. In this regard, there was a need to agree funding in principle to priority projects up front. Accordingly, it was proposed that the future allocation of CIL funds be as follows:

Taken on receipt

- Administration: 5% top slice
- Suitable Alternative Natural Greenspace (SANG): 2% top slice

From the remainder

- 40% to Strategic Infrastructure Project Programme
- 10% to maintenance projects
- 15% to the Local Spending Boards
- 35% to strategic infrastructure through Spending Board

With regard to the Strategic Infrastructure Project Programme, it was proposed that 40% of CIL collected (after deductions) be ringfenced towards an agreed programme of works which would provide certainty of support for strategic projects. It was suggested that this top slice be taken outside of the bidding process and that priorities be agreed through an annual CIL report to the Cabinet.

In respect of maintenance projects, the need for maintenance of infrastructure such as roads due to the impact of development had frequently been raised by residents through the Local Plan consultation. In this regard, it was proposed that 10% of CIL collected (post allocation to administration and SANG) be ringfenced towards agreed maintenance pressures that linked to development within the Borough. This funding would also be taken outside of a bidding process with a priority list of maintenance requirements being agreed through the CIL Strategic Spending Board.

With regard to the Local Spending Boards, the Cabinet was advised that under the current arrangements, several settlements had collected significant amounts of CIL but had limited infrastructure projects to which they could allocate funding to within their area. Given that £1,668,354 remained unallocated from the local CIL pot, it was proposed that, in line with CIL guidance, the proportion allocated locally be reduced to 15%. Whilst it was proposed that this new percentage commence with effect from 20 July 2017, it would not be applied to the unallocated current funds available to the Local Spending Boards. In addition, it was proposed that feedback received from the

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recent and future Local Plan consultations should be used as a mechanism to assist in prioritising CIL spend locally.

The Portfolio Holder also took the opportunity to provide an update to Members on the issues that had been raised at the Council meeting held in April 2017. With regard to the scheduling of the Local Spending Boards and the resultant delay while ratification was sought from the Cabinet, in order to allow for private discussions to take place at the meetings, it was proposed that the process remain unchanged. However, future scheduling of the bidding process would be arranged so that the Panels and the Board meet just in advance of Cabinet to minimise any delay. In respect of the publication of the scheme, whilst details and advice was available on the Council's website, it was agreed that prior to the next round of bidding, officers would work with the Portfolio Holder to devise a promotion which would not only highlight the scheme but also make it clear as to what could be bid for.

During consideration of the report, the Leader invited Councillor T.G. Oliver, Group Leader of the Conservative Group, to address the meeting. Whilst supporting the proposals, Councillor Oliver acknowledged the continuing pressures in respect of infrastructure and in this regard commented that it would be helpful to have a tighter definition of what projects could be funded particularly with regard to Strategic Infrastructure Projects. In addition, having noted that it was proposed that priorities for Strategic Infrastructure Projects would be included in an annual CIL report to Cabinet, he queried whether this approach was adequate and whether Cabinet would be agreeing the priorities or whether it would be a recommendation for Council decision. The Leader confirmed that it was his intention that all Members should be involved in the decision and therefore it would be a recommendation to Council.

Whilst considering the report, the Cabinet welcomed the proposed revisions to the scheduling of Local Spending Board meetings and was pleased to note that in future these would meet just in advance of a Cabinet meeting.

RESOLVED that the Local Plan consultation feedback be used to assess local infrastructure priorities.

RECOMMENDED: THAT

- (A) 40% TOP SLICE OF COMMUNITY INFRASTRUCTURE LEVY COLLECTED (POST ALLOCATION TO ADMINISTRATION AND SUITABLE ALTERNATIVE NATURAL GREENSPACE (SANG)) BE RING FENCED TO FUND A PROGRAMME OF STRATEGIC INFRASTRUCTURE PROJECTS;**
- (B) 10% OF COMMUNITY INFRASTRUCTURE LEVY BE RING FENCED (POST ALLOCATION TO ADMINISTRATION AND SANG) FOR MAINTENANCE PURPOSES; AND**

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(C) THE REDUCTION OF THE AMOUNT ALLOCATED LOCALLY THROUGH LOCAL SPENDING BOARDS BE 15% IN LINE WITH THE MINIMUM AMOUNT SET OUT IN THE REGULATIONS.

16/17 HERITAGE, LANDSCAPE AND TREE TEAM REVIEW

(Link to Council Priorities: P4)

The Portfolio Holder for Planning Services introduced the report and updated colleagues that as a result of continued high levels of consultations on planning applications as well as needing to meet other statutory and strategic duties, it was proposed that a new trainee post within the Heritage, Landscape and Tree Team be created in order to support the Council's delivery of a high quality, cost effective service.

It was proposed that a new Trainee Heritage Officer be employed, who was a graduate and would be supported to either undertake or complete a post-graduate course in Historic Conservation. The post-holder would assist the Conservation Officer in project work and help both them and Development Management in simpler types of cases. It would also help to progress the Council's Heritage Strategy including implementing the Building at Risk (BAR) findings and updating the Local List which was last reviewed in 2000.

Whilst noting that the report referred to the cost of the new post being partially offset by the income generated through the Development Management application and pre-application service together with the proposed increase in planning application fees as outlined in the recent Housing White Paper and subject to formal agreement from the Secretary of State, the Portfolio Holder proposed that an amendment be made to the recommendation so that the post be created without it being subject to an increase in planning application fees. In this regard, the Portfolio Holder for Resources commented that until this element of the Housing White Paper was clarified, the additional costs would be met from existing planning fee income.

The Cabinet supported the creation of this new post which it was also noted would enable work to progress on the Heritage Strategy that had been adopted by the Council in 2015.

RECOMMENDED: THAT THE CREATION OF A NEW HERITAGE GRADUATE TRAINEE POST BE APPROVED.

17/17 2016/17 REVENUE & CAPITAL OUTTURN AND 2017/18 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 2016/17 and the 2017/18 in-year budget.

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Members noted that in February 2016 the Council had approved the 2016/17 budget for council tax setting purposes at £17.0 million. As a result of variations and other changes in the anticipated spend, a revised forecast figure had been reported in February 2017 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 an 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 £2 million was due to various factors including employee related; operating expenses; income (including new property purchases), National Non-Domestic Rates Section 31 Grants; and one-off grants.

The Cabinet was pleased to note that the in-year Council Tax Collection performance had increased to 98.9% which put Elmbridge in the top 10% of performing Councils. Similarly, the in-year Business Rates Collection performance had increased to 99.0%. In this regard, the Portfolio Holder took the opportunity to congratulate the Head of Finance and his Team for their continued hard work.

With regard to capital outturn, the position was £31,292,352, an underspend of £4,110,848 compared to the revised programme of £35,403,200.

With regard to significant issues on closing the 2016/17 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 National Non-Domestic Rates, the Portfolio Holder advised that the 2017 revaluation exercises had resulted in some significant increases in the Rateable Values of business properties with Elmbridge. Whilst the Council had written to the Government expressing concern over the impact these increases would have on Business Ratepayers, the Government in February 2017 had announced a number of measures aimed at reducing the impact and began a consultation in this regard. Unfortunately, due to the recent General Election and purdah period, this meant that the results of the consultation and full details of the scheme had not been received. In order to facilitate the earliest possible reduction in bills, it was proposed that delegated authority be given to the Leader, Portfolio Holder for Resources and the Chairman of the Overview & Scrutiny Committee to agree a scheme in order to produce revised bills as soon as possible, after the Council receives the final details from the Government.

In respect of investment options, as a number of Surrey Councils had taken advantage of pooling funds through the CCLA Local Authorities Property Fund

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thereby increasing the average rate of return, the Portfolio Holder advised Members that having reviewed information in respect of the Fund, it was proposed that up to £10 million be invested in the Fund. If agreed, appropriate changes would be made to the Council's Treasury Management Strategy in this regard. Whilst this would be a departure for the Council, the CCLA had been in place for a significant period of time and in this regard the Fund had grown dramatically. The Portfolio Holder commented that there were risks associated with this investment and that was one of the reasons why it was sensible to limit the amount invested.

During consideration of the report, one Member asked whether the £10 million investment to the CCLA Local Authorities Property Fund would be made as one investment or several. The Portfolio Holder commented that this was an operational decision although the £10 million was likely to be invested in several amounts.

The Leader then invited Councillor B.J.F. Cheyne to address the meeting. Councillor Cheyne, who was the Chairman of the Performance and Finance Standing Panel, advised Members that this report had been considered at the meeting of the Panel the previous day. Whilst the Panel supported in principle the proposed investment of £10 million to the CCLA Local Authorities Property Fund, concern had been raised regarding possible risk and in this regard, Councillor Cheyne felt that some questions remained unanswered.

The Leader then invited Councillor A.P. Burley to address the meeting. Councillor Burley, who was also the Vice-Chairman of the Performance and Finance Standing Panel, agreed with the comments raised by Councillor Cheyne and further commented that as the CCLA Local Authorities Property Fund was an open-ended fund, it did not have the same transparency as a public fund. He also stated that he had concerns about the risks associated with this type of Fund and that a full appraisal of the redemptions should be undertaken.

The Leader then invited Councillor T.G. Oliver, Group Leader of the Conservative Group, to address the meeting. Councillor Oliver commented that it would be helpful to understand more detail behind the operation of the Fund and how this would sit alongside the Council's Property Strategy. He also queried whether the summary of the Medium Term Financial Strategy (MTFS) detailed on page 145 of the agenda, included the negative Revenue Support Grant (RSG) in 2019/20. He felt that if this had been included within the summary, it should be reported separately. The Strategic Director and Deputy Chief Executive clarified the position and confirmed that the summary did include the negative RSG as already reported in the MTFS in February. However, it was hoped that the proposed 100% Business Rate Retention and the potential pilot arrangements would negate this although further lobbying of the Government was required in this regard.

The Portfolio Holder for Resources took the opportunity to respond to the comments made by Members and reiterated that whilst the proposed investment in the CCLA Local Authorities Property Fund was a risk, the Fund

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was well diversified. He advised that he had looked at the audited accounts up to 31 March 2017 and a good breakdown of properties was evident.

RESOLVED that

- (a) the outturn for 2016/17 and the early budget update for 2017/18 be noted; and
- (b) authority be delegated to the Leader, Portfolio Holder for Resources and the Chairman of the Overview & Scrutiny Committee to finalise a scheme in relation to the Business Rate Reductions proposed by Government, as set out in paragraph 9 of the report.

RECOMMENDED: THAT UP TO £10 MILLION BE INVESTED IN THE CCLA LOCAL AUTHORITIES PROPERTY FUND WITH THE APPROPRIATE CHANGES BEING MADE TO THE COUNCIL'S TREASURY MANAGEMENT STRATEGY.

18/17 PROPERTY ACQUISITION PROPOSALS

(Below is a brief summary of the matters discussed under this item. In view of the nature of the discussion which contained exempt information as defined under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, a copy of the full Minute is appended [at the back of these Minutes] as Minute No. 25/17 for Members of the Council only.)

(Link to Council Priorities: All)

The Portfolio Holder for Resources introduced the report that provided details of a proposal for the acquisition of two properties for investment purposes in accordance with the Council's Property Acquisition and Investment Strategy.

MATTERS OF REPORT

19/17 CHOICE BASED LETTINGS & HOUSING ALLOCATIONS POLICY

(Link to Council Priorities: H3 – Responding to and preventing homelessness amongst single people and families)

The Portfolio Holder for Housing introduced the report and reminded colleagues that the Council had operated a Choice Based Lettings (CBL) Scheme, SEARCH Moves, since 2010 with Spelthorne Borough Council, A2 Dominion Housing and PA Housing (previously Paragon).

The Cabinet noted that a Partnership Agreement was in place between the partners and a contract with Locata Housing Services, which currently provided a dedicated website and IT system to support the Scheme. The contract with

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Locata was due to end in July 2017 and in this regard the opportunity had been taken to review the current arrangements.

All partners had agreed they wished to continue to let vacant properties through a CBL scheme albeit reverting back to having separate allocations policies and banding schemes. This would enable each partner to have greater control and freedom to amend the way they prioritised their own applicants and to set criteria for who could and could not register on their lists.

As Elmbridge, Spelthorne and PA Housing wished to continue with their CBL Scheme, SEARCH moves, there were clear and compelling advantages to continuing with the current Scheme and IT provider. Retaining the services of Locata would provide the Council with a level of business continuity that would not be available should another provider be selected. Furthermore, with the other partners also intending to retain Locata, the cost of enhancements could be shared which would cost considerably more if the Council was to enter into a new separate contract.

In this regard, a business case had been prepared, in consultation with Procurement and Legal Services, and it was proposed to engage Locata in a 3-year contract commencing in September 2017.

In order to move swiftly through the change-over, the Portfolio Holder also took the opportunity to advise Members of minor changes that had been made to the Housing Allocations Policy and Banding Scheme, as set out in the Appendix attached to the report. It was noted that wording had been changed throughout the policy document to reflect that it was now a standalone policy relating to Elmbridge only. Given that a small number of changes had also been incorporated to reflect caselaw and updated guidance, a consultation exercise would be undertaken with key partners and stakeholders, including housing associations with rented stock in the Borough.

During his introduction, the Portfolio Holder proposed an amendment to Recommendation (C) of the report. In this regard, as the Allocations Policy required further review to ensure it was fit for purpose, it was proposed that the Head of Housing Services work with the Portfolio Holder for Housing and the Head of Legal Services to make further minor changes as appropriate prior to its finalisation, which the Cabinet supported.

During consideration of the item, the Leader invited Councillor J. Browne to address the meeting. Councillor Browne was pleased to note the proposed amendment to Recommendation (C) and in this regard, as the Policy referred to the issuing of Anti-Social Behaviour Orders, Councillor Browne reminded Members that the issuing of these Orders ended in 2015 and therefore the Policy did require further review to ensure that it accurately reflected current legislation etc.

With regard to the change in role of A2 Dominion Housing, one Member queried whether the tenants in A2 properties would be able to remain in situ. The Housing Options Manager confirmed that whilst A2 Dominion Housing

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would have their own transfer register, all tenures currently in place would be unaffected by this proposal.

Whilst acknowledging that A2 Dominion Housing had a significant amount of housing stock in the Borough, one Member asked whether they would continue to use SEARCH Moves to advertise vacant properties. The Housing Options Manager advised that the SEARCH Moves facility would continue to be used in Elmbridge and that those on the Council's Housing Register would still be able to bid for A2 properties in the normal way.

RESOLVED that

- (a) the changes to the Choice-Based Lettings (CBL) Scheme and the steps to be taken to implement these changes be noted;
- (b) the revised Elmbridge Housing Allocations Policy, as set out in the Appendix attached to the report, be approved for the purposes of consultation with key partners; and
- (c) authority be delegated to the Head of Housing Services, in consultation with the Portfolio Holder for Housing and the Head of Legal Services, to make further minor changes to the Allocations Policy and to settle the document in its final form.

20/17 HOMELESSNESS REDUCTION ACT 2017 AND DCLG FUNDING UPDATE

(Link to Council Priorities: H3 – Responding to and preventing homelessness amongst single people and families)

The Portfolio Holder for Housing introduced the report and updated the Cabinet that the Homelessness Reduction Act 2017 (HRA) received Royal Assent on 27 April 2017. The HRA placed significantly increased duties on local housing authorities to prevent and relieve homelessness and would amend the current duties under the Housing Act 1996.

Whilst the changes would not come into effect immediately, it was noted that the HRA would transform the help Councils were expected to provide to all homeless people by ensuring provision of new support to people who were not entitled to help under the current system. Furthermore, it would require Councils to try and prevent people from becoming homeless in the first place, intervening early and encouraging other public sector bodies to actively assist in identifying and referring those at risk of homelessness.

The Portfolio Holder advised Members of the key implications for the Council as a result of the new duties which included:

- an increased workload for the Housing Options Team;
- changes to job roles to reflect the new duties;

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- the production of Personal Housing Plans and the issuing of statutory documentation;
- the handling of Reviews and Appeals; and
- a review of Team roles and structures.

The Portfolio Holder also took the opportunity to update Members on funding that had been allocated to the Council over the next two years from the Department for Communities and Local Government (DCLG) which would give more flexibility to prioritise homelessness prevention. The Cabinet was pleased to note that for 2017/18, a Flexible Homelessness Support Grant of £350,564.40 had been allocated and for 2018/19, an allocation of £403,358.40 had been confirmed.

Together with the more specific HRA implementation funding to be allocated from 2018/19, this two year grant allocation would represent a significant opportunity to transform and strengthen the Council's Housing Options Services and also services delivered by key local partners to prevent and relieve homelessness.

The Cabinet noted that plans in respect of the proposed spend had been drafted based on using the total funding of £753,922 over three financial years (2017/18, 2018/19 and 2019/20). Officers were proposing this one off DCLG funding be used to support some temporary increase in staffing levels both within the Council's Housing Options Team and also in other partner agencies to prevent and relieve homelessness, as well as to part fund revenue shortfalls for temporary and supported accommodation and pilot new and innovative ways of preventing and relieving homelessness. Whilst an outline spending plan had been produced, the details of which were outlined in the report, it was noted that this would be kept under review and that the Portfolio Holders for Housing and Resources be given authority to agree any major changes or revisions including any proposals to use the remaining unallocated sum of £124,000.

RESOLVED that

- (a) the new duties be noted; and
- (b) the proposed plans for use of the Department for Communities and Local Government (DCLG) Homelessness Funding Grant be noted and the Portfolio Holders for Housing and Resources be consulted on changes and revisions to these plans.

21/17 LOCAL HOUSING COMPANY DELIVERY MODELS - UPDATE

(Link to Council Priorities: A safe, caring and healthy Elmbridge. A vibrant and thriving Elmbridge)

The Portfolio Holder for Housing introduced the report and advised colleagues that the Local Government Association (LGA) Housing Peer Review,

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undertaken in January 2016, had prompted discussion about the potential for the Council to explore models of delivering affordable housing whereby the Council would take a more proactive role.

Given that the new Administration was keen to see the Council develop more affordable and social rented housing, the Portfolio Holder reiterated the desire to progress the setting up of a Local Housing Company (LHC) to assist the Council in not only delivering more affordable housing but also delivering market housing which could meet some level of wider housing need and cross subsidise affordable and social housing.

The Cabinet was reminded that the Peer Review Action Plan contained an action to explore a company model and in October 2016, the Cabinet had agreed that officers should progress this and engage expert advice accordingly.

The Portfolio Holder advised that from the briefest of research into the subject of housing companies, the Council needed to carefully consider all its options before embarking on a course of action. It needed to carefully consider and agree its aspirations, its available resources and its vision and that it should set this out in a business case and eventually in a business plan. Any property venture would incur financial and reputational risk and require a significant level of investment.

It was noted the activities of a LHC could include:

- (i) the delivery of private market rented housing;
- (ii) the provision of temporary accommodation for homeless households;
- (iii) the development of Social Housing; and
- (iv) the delivery of mixed tenure housing.

Whilst the priority in any Elmbridge venture was likely to be social rented housing, the following tenure options / land uses would also be considered, the details of which were outlined in the report:

- Social rent;
- Affordable rent / intermediate rent;
- Shared ownership;
- Starter Homes;
- Private Rent;
- Build to Rent;
- Private Market Sale;
- Mixed use sites; and
- Office conversion.

The Cabinet noted that the Council had begun work with an organisation called Local Partnerships (LP) to assist in scoping the remit and activities of a LHC and, if and when agreed, the development of an outline business case. LP was jointly owned by HM Treasury and the Local Government Association and worked only for the public sector with a mission to help improve and accelerate

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delivery by bringing high quality, commercial skills and capacity to public sector organisations. LP had developed a housing delivery toolkit to help Councils understand and assess options and move efficiently to setting up a suitable vehicle. Whilst LP would work with officers and Members to gain a more detailed understanding of potential housing sites / projects, they would also seek to understand the opportunities and risks, potential partners, draft timetable and funding requirements. It was envisaged that LP would work with the Council in this regard over the next 3 to 4 months which would culminate in an outline business case for consideration in the Autumn 2017.

The Cabinet welcomed the progress update and considered this was an excellent opportunity for the Council to develop and improve social and affordable housing in the Borough.

RESOLVED that the progress made towards establishing a delivery vehicle for housing be noted and endorsed.

22/17 XCEL SPORTS HUB SPONSORSHIP CONTRACT AWARD [PART I REPORT CONTAINING A PART II APPENDIX WHICH WAS EXEMPT UNDER PARAGRAPH 3 OF PART 1 OF SCHEDULE 12A TO THE LOCAL GOVERNMENT ACT 1972 (AS AMENDED)]

(Link to Council Priorities: LCS1, LCS2)

Having moved into camera session, the Portfolio Holder for Resources introduced the report and reminded Members that one of the key opportunities for the Xcel Sports Hub was to secure a range of business sponsors with an interest in engaging with the wide demographic range of users of the facility.

Whilst this was clearly an opportunity for the Hub, neither the Council, the operator, Places for People, or any of the resident clubs possessed the requisite skills and experience to sell and manage relationships with sponsors, especially on a complex multi-site facility such as this. In this regard, a separate open tender process was used to secure a suitable specialist company to sell and manage the sponsorship on behalf of the Sports Hub.

The Sponsorship Contractor, once appointed, would work closely with the resident clubs who would retain the right to deliver their own team or match day sponsors and would be incentivised to work with other sponsors procured externally. All of the sponsorship arrangements would be discussed through the Sports Hub User Forum however the Council would retain the right to decline any sponsorship from unsuitable companies (i.e. Tobacco).

The Cabinet noted that the Sponsorship Contractor would be responsible for researching, approaching, securing and managing the ongoing relationship with any sponsors for the Sports Hub facilities and in this regard would be entitled to a percentage split of any income received.

The Portfolio Holder advised that the best commercial deal had been secured through the competitive procurement process encouraging the most favourable

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terms for the Council. In addition to the percentage commission, the contract also required one off set up costs to be met by the Council to carry out the background research, meet with all of the resident clubs and key stakeholders and prepare the necessary marketing literature.

The Cabinet noted that as part of the procurement process, price and quality submissions were separately evaluated and final scores combined at the end of the evaluations to give an overall score. Following the evaluation, it was proposed that Snap Sponsorship Ltd be awarded the contract on the basis of an initial period of 4 years, with one year plus one year extension period should it be required. Given that there was a need for the sponsorship to breakeven particularly in year 2 of the contract, the Portfolio Holder advised the Cabinet of the financial implications in this regard.

During consideration of the item, the Leader invited Councillor G.P. Dearlove to address the meeting. Whilst supporting the project, Councillor Dearlove asked how many tenders had been received given that the report did not include detail in this regard. The Strategic Director confirmed that given the expertise required for this project and whilst a large number of advertising companies had initially shown interest, only one tender had been submitted which was from Snap Sponsorship.

RESOLVED that

- (a) on the basis of the completed tender process, the contract for the sponsorship of the Xcel Sports Hub be awarded to Snap Sponsorship on the basis of an initial period of 4 years, with one year plus one year extension period should it be required; and
- (b) the initial set up costs of up to £35,872 be met from the contingency fund.

23/17 LOCAL PLAN UPDATE & INTERIM POSITION STATEMENT

(Link to Council Priorities: P3)

The Portfolio Holder for Planning Services introduced the report and reminded colleagues that in September 2016, the Council had agreed to the preparation of a new Local Plan with the primary focus being on how the Council would approach the requirement to meet, as far as possible, its Objectively Assessed Housing Need (OAHN) and the need to establish a housing target for the Borough up to 2035.

The Cabinet noted that in December 2016 the Council had consulted on its Strategic Options Document which was the first stage in the process for developing a new Local Plan. During the consultation, the Council had received nearly 3,800 responses from residents and other interested parties which had generated approximately 50,000 separate comments.

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The Portfolio Holder advised that having processed and read all the responses, this had highlighted opposition to the Preferred Option that had been set out in the consultation document as well as the significant level of concern expressed regarding any new development and the impact on infrastructure, the environment, and the quality of life of residents. Members noted that a more detailed report would be published in early August 2017 setting out a summary of the responses received to each of the questions in the consultation document. To ensure transparency and allow Members the opportunity to discuss the issues, a report would be presented to an Individual Cabinet Member Decision Making meeting on 19 July 2017.

The Cabinet was advised that whilst the significant numbers of responses to the consultation had had an impact on the original timetable for the new Local Development Scheme, the Council would also need to undertake further work as a result of the recently published Government's Housing White Paper "Fixing our Broken Housing Market".

Given that the timetable for the preparation of the Local Plan would be delayed, it was proposed that the Council publish an interim statement setting out the reasons for the delay together with an indication of when the Council would prepare and adopt an updated Local Development Scheme.

RESOLVED that

- (a) the preparation of additional evidence required to progress further work on the Local Plan be agreed;
- (b) the publication of the Interim Statement, as set out at Appendix A of the report, be agreed;
- (c) the delay in publishing a new Local Development Scheme until further details are published with regard to changes in National Planning Policy arising from the Housing White Paper be agreed;
- (d) it be noted that a more detailed report on the responses to the consultation will be considered at an Individual Cabinet Member Decision Making meeting on 19 July 2017 for publication;
- (e) subject to the agreement at the Individual Cabinet Member Decision Making meeting on 19 July 2017, all consultation responses received will be published by the end of July 2017.

24/17 CLOSING REMARKS

With the agreement of the Leader, the Portfolio Holder for Environment provided a brief update to the Cabinet on the performance of the new waste collection contract as it entered its second month.

The Portfolio Holder stated that overall the service continued to improve each day, as the crews became familiar with the revised collection routes and as

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Amey tackled the underlying operational problems. Each crew member and Amey's local management were tenaciously and tirelessly doing all they could to deliver the quality and reliability of service that was expected by the Council and its residents and as was clearly set out in the service specification in the contract. However, regrettably the quality of service in areas of the Borough was still well below these expectations. For these shortcomings, as the client for the contract, an unreserved apology was offered to all the residents who had been so seriously inconvenienced.

Understandably residents with outstanding collections were becoming increasingly dissatisfied and whilst empathising with them, there was no doubt that the service they have received was unacceptable. The Portfolio Holder advised that he was appreciative of the continuing hard work of the Council's excellent Customer Services Team who were updating and advising residents with collection problems which the most up to date information from the contractor being conveyed.

Despite what was recognised as an ongoing improvement in service, it remained a matter of great concern to everyone that during the first month of the contract, there had been significant and repeated service failures by the contractor with many Target Key Performance Indicators not achieved, including large numbers of missed collections and a failure to rectify these within the agreed period. The Portfolio Holder reported that the continuing failures would result in significant financial penalties being applied under the terms of the contract.

The Portfolio Holder stated that he was also aware of the wider powers available to the Authorising Officer and the Contract Partnering Board under the new joint arrangements for contract management. Accordingly, he expected the Contract Partnering Board, at its meeting next week, to consider what further contractual measures were needed to resolve the underlying causes of these service failures and the prevention of any recurrence. In this regard the Cabinet support the Portfolio Holder in urging the Contract Partnering Board to exercise all contract powers at its disposal to secure the provision of the services in accordance with the specification.

Finally, the Portfolio Holder apologised again to those residents with unresolved collection problems and assured those residents and Cabinet colleagues that the officers and the new joint contract management team remained fully focused and committed to a rapid and stepped improvement in service quality.

In endorsing the statement made by the Portfolio Holder for Environment, the Leader further apologised to those affected residents and commented that he was hopeful that the service would improve. He also took the opportunity to thank officers and particularly the Customer Services Team for their continued hard work in this regard.

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The meeting commenced at 7.00 pm and concluded at 8.31 pm

S.J. SELLECK
Leader

Democratic 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
Ms. S. Lucking	Housing Options Manager
C. Waters	Housing Strategy & Enabling Manager
Ms. E. Lewis	Sports Development Officer