

FINANCE, POLICY AND RESOURCES COMMITTEE

Minutes of the meeting held on Thursday, 20 February 2020.

PRESENT: Councillor Gareth Roberts (Chair), Councillor Michael Wilson (Vice-Chair), Councillor Robin Brown, Councillor Geoff Acton, Councillor Ian Craigie, Councillor Paul Hodgins, Councillor Peter Buckwell, Councillor Jonathan Cardy and Councillor Andrée Frieze

48. APOLOGIES

Apologies for absence were received from Councillor Aphra Brandreth, Councillor Richard Bennett and Councillor Lesley Pollesche. Councillor Buckwell, Councillor Frieze and Councillor Cardy served as their substitutes respectively for the meeting.

49. DECLARATIONS OF INTEREST

Councillor Cardy declared that as Chair of the Planning Committee he would leave the room during discussions of Items 4 and 16 on the Twickenham Riverside development, as subject to the decisions of this Committee, it was likely that a planning application for the development would be submitted in due course. He further declared that as a non-executive Trustee of SPEAR, he would not comment on housing matters.

50. MINUTES

The minutes of the meeting held on 15 January 2020 were approved as a correct record and the Chair authorised to sign them.

51. TWICKENHAM RIVERSIDE DEVELOPMENT

Councillor Cardy left the room for the duration of discussion on this item.

The Director of Environment and Community Services introduced the report and outlined the new approach to the site, which included running an open RIBA design competition to appoint an architect led team and concept design. The process included appointment of a design panel, representation of local views through a stakeholder reference group, consideration of Diamond Jubilee Gardens (Twickenham Riverside Trust) and provision of parking away from the site. Subject to decisions this evening, it was anticipated that further major decisions would follow in Spring 2021 with a planning application submitted thereafter.

Representations were received from Helen Montgomery-Smith who thought that the development should not be seen in isolation from Eel Pie Island and that the Hopkins scheme was in danger of delivering a proposal which was not in line with the Design Brief. She considered that the stakeholder meetings had not addressed parking and access issues and that the architects may not have understood the servicing of the island as the Design Brief did not detail the business on the island. She stated that continual vehicular movements took place throughout the week and although there was a turning circle, traffic was bound to back up. She asked the committee to revisit the 2013 Twickenham Area Action Plan which recommended core strategy issues so that the riparian businesses could continue. She stated that the businesses wished to meet with the council and the architects to find a mutual solution.

In response to a question on the risk to the business, Mrs Montgomery-Smith replied that she was concerned their viability was an issue if access meant they could not take deliveries as boatyards had been lost on other reaches of the Thames because of a loss of access.

Mark Montgomery-Smith read out a second statement (the first being appended to this minute) on behalf of Ken Dwan, who could not be present. Points made included the failure to recognise

effects on the viability of the key role of his boat yard which worked on thirty vessels annually and accommodated large boats. Large vehicle deliveries were needed regularly and specialist trades, with bulky equipment, came to the site. He concluded by stating that parking and service roads were a rare amenity on the riverside.

In response to the representations made, the Director of Environment and Community Services advised that consideration had been given to parking and servicing of Eel Pie Island and that there was continuing engagement with local stakeholders. Following the detailed design phase, there would also be detailed consultation during the pre-planning committee stage.

In response to questions from the committee, the Director of Environment and Community Services and the Programme Manager (Special Projects) advised that there was further detail to come on the design, decision on the lease for Diamond Jubilee Gardens would be made within six weeks of this meeting and there had been positive meetings with the Trust to agree terms for a new space within the scheme. Risks, which were inherent in a scheme of this nature would be mitigated through contractual arrangements. On the embankment and traffic matters, discussions would be held with the Port of London authority and the Council as the Highways Authority. A wider Controlled Parking Zone (CPZ) was being examined. Costs could not be made public at present for commercial reasons and consultation details could not be released at present as they formed part of the competition documents and were subject to the 'Alcatel' legal requirement for a ten-day standstill period. The committee was assured that the Council had sufficient officer experience to manage a project of this nature.

Following discussion of the Exempt report, listed as item 16 on the agenda, the Chair called for a vote on the recommendations and the first, second, fourth and sixth were carried unanimously. The third (on approval of the capital budget requirement) was carried by a majority of six votes to two against with the fifth recommendation (relating to Diamond Jubilee Gardens) being carried by a majority of seven votes to one against.

RESOLVED:

- 1. That the appointment of the design team identified by the Design Panel following the RIBA run Design Competition as outlined in report paragraphs 3.17 – 3.20 be approved.**
- 2. That the appointment of the professional client-side team, following a separate procurement process outlined in report paragraphs 3.21 – 3.23 be approved.**
- 3. That the capital budget required for fees required to take the project up to the award of a construction contract be approved.**
- 4. It be delegated to the Director of Environment and Community Services, in consultation with the Head of Legal Services, the power to enter into any contract or agreement required to secure the surrender of Diamond Jubilee Gardens lease; to acquire any interests in land that may be required to deliver the project and to enter into any contracts required to deliver the project up to the award of construction contract.**
- 5. That advertising the Council's intention to dispose of the Diamond Jubilee Gardens under s123 of the Local Government Act 1972 be agreed.**
- 6. It be noted that there will be a further report to the Finance, Policy and Resources Committee to agree the delivery route, approve the construction contract award and to confirm the construction costs and associated fees.**

52. UTILITIES PROCUREMENT

The Assistant Director (Property Services) presented the report which sought award of contract vis LASER, operated by Kent County Council. This was seen as part of the council's aim to become carbon-neutral and allowed financial savings in a volatile market,

In response to questions the Assistant Director (Property Services) and members of his team

explained that LASER conducted procurement exercises with a number of suppliers and that Npower were compliant so that the Council was able to purchase certified renewable energy under a four-year contract. Work was also being undertaken to lobby the supplier to pursue zero carbon energy. It was considered that as the market matured, assessments could be made on the viability of using biogas in future. Renewable energy was being purchased through the Renewable Energy Guarantees of Origin (REGO) scheme and while nuclear energy was zero carbon, it was not defined as renewable.

The Committee also heard the energy audits and the streetlighting replacement project would also save on electricity usage.

RESOLVED:

- 1. That the award of new contracts for four years for the supply of electricity and gas via an access agreement with the CPB, LASER be approved.**
- 2. That a four-year contract to NPower (electricity) and Total Gas & Power (gas) via the LASER Framework to supply cost-effective utilities from 1 October 2020 with an estimated annual total value of £1.8 million be awarded.**
- 3. That the purchase of 100% certified renewable electricity as part of the contract with Npower be approved.**
- 4. That there will be engagement with LASER and other stakeholders to support their development of more options to procure low carbon energy.**

53. STRATEGIC INVESTMENT POT - FUNDING AGREEMENT WITH CITY OF LONDON CORPORATION

In response to questions on whether additional costs were required, the Head of Employment and Enterprise Strategy advised that match-funding would need to be identified but sums would be minimal as s.106 monies would be used.

RESOLVED:

- 1. That authority be agreed for Richmond Council to enter into a funding agreement with the City of London Corporation to receive SIP monies totalling £6.03m in order to deliver the South London Knowledge Exchange Programme across five south London boroughs.**
- 2. That authority be delegated to the Assistant Chief Executive to execute the agreement with the City of London Corporation.**

54. Q3 CORPORATE FINANCE MONITORING REPORT

The Committee decided to consider this item alongside the Quarter 3 Quarterly Monitoring Report (Minute 55).

The Finance and Resources Lead Member highlighted that while the projected underspend on the General fund had increased as contingency funding was released, there continued to be a significant deficit on the Direct Schools Grant (DSG) of £4.8 million.

In response to questions he noted that there had been a debate on the SEND and DSG issues in Parliament and the local MP had been offered a meeting with Government. Richmond's cost per EHCP was in line with the national average but funding was well below and Central government had not offered workable solutions as yet.

On spending on flood defence, Officers confirmed that significant sums were being spent and that the apparent underspend related to grants received which had not been used. The parking overspend resulted from lower than expected income from yellow box junction infringements and therefore figures were being analysed carefully. On construction waste, the overspend was due to

expected charges not being introduced.

RESOLVED:

- 1. That the current projected underspend on the General Fund overall is £2.263m which is more than offset by the expected in-year overspend on the Dedicated Schools Grant (DSG) (currently £4.787m). be noted.**
- 2. That the position on the Capital programme be noted.**

55. Q3 QUARTERLY MONITORING REPORT

The Committee decided to consider this item alongside the Quarter 3 Corporate Finance Monitoring Report (Minute 54).

RESOLVED:

- 1. That the current projected underspend on the services for this committee is £4.21 million be noted.**
- 2. That the position on the Capital programme be noted.**

56. FEES & CHARGES REPORTS

The Committee noted that increases in fees and charges were largely in-line with inflation and was advised, in light of the significant increase for filming, that any charges for large scale filming projects were subject to negotiation, including any donations within wards.

RESOLVED:

That the revision of charges (as detailed in Appendix 1) to be made from 1 April 2020 be approved.

57. DETAILED DIRECTORATE BUDGET REPORTS - FINANCE

The Committee decided to consider this item alongside the Revenue Budget and Council Tax report (Minute 58).

RESOLVED:

That the proposed budget for services within the remit of this committee be received.

58. CAPITAL PROGRAMME AND FUNDING REVIEW

The Finance and Resources Lead Member highlighted items removed from the programme and those added, which included an additional £5 million on highways and footpath improvements and £2 million set aside for the Climate emergency Strategy. Critical repairs and new equipment had been identified. £6.5 million had been identified for the refuse vehicle fleet. This was to enable the Council to provide funding for the purchase of the vehicle fleet if the incoming Contractor (Serco) requested this from the Council – at the present time it was not clear that the contractor would wish to pursue this offer

In response to a question as to whether the increase in borrowing of £54 million was sustainable, the Director of Resources and Deputy Chief Executive referred Members to the Prudential Indicators which showed a managed process and that the Council could afford its plans.. The Lead Member noted that significant Capital receipts were not included at this stage as Community Infrastructure Levy (CIL) receipts had been forecast but not yet allocated. He noted that sum for highways was an increase on pre-2018 funding.

In response to further questions, the Committee heard that investment in cycling was included in the

LIP plans agreed with TfL and there would be opportunity to bid for specific grants, as awarded in 2019/20 for electric vehicle charging points. On Collis School it was noted that this was an EFSA-led project but it was considered that a fourth form could be accommodated in future if the need arose. It was also noted that funding for the Twickenham riverside development was included in the programme and that every scheme would take environmental considerations into account. The Committee also heard that the sale of the Orleans House Gardener's Cottage had been completed and a study was being undertaken on York House.

The Chair called for a vote on the recommendations and all were carried unanimously, save for the second recommendation detailed in Appendix A which was carried by eight votes to one.

RESOLVED:

- 1. That the capital programme and the changes being proposed be reviewed.**
- 2. That it be RECOMMENDED to Council to approve the revised capital programme and its funding as detailed in Appendix A.**
- 3. That the Prudential Indicators detailed in Appendix B be RECOMMENDED to Council for approval in March.**
- 4. That the Capital Strategy detailed in Appendix C be RECOMMENDED to Council for approval in March.**
- 5. That it be RECOMMENDED to Council to delegate authority to the Director of Resources, in consultation with the Lead Member for Finance and Resources and the Chair of the Environment, Sustainability, Culture and Sports Committee to agree details for the potential £6.5m arrangement for waste vehicles.**
- 6. That it be RECOMMENDED to Council to delegate authority to the Assistant Chief Executive, in consultation with the Director of Resources and the Chair of the Environment, Sustainability, Culture and Sports Services Committee to allocate the £2m climate change budget in line with specific schemes brought forth in the climate change action plan.**

59. REVENUE BUDGET & COUNCIL TAX (INC MTFs) 2019/20

The Finance and Resources Lead Member introduced the report. He reminded the committee that the report had been developed against a background of the period of national austerity whereby the council's funding had reduced by £40 million since 2010, issues with SEND funding, the crisis in adult social care funding and uncertainty on the Government's 'Fair funding Review' of local authorities. In light of these issues the report proposed a 1.8% increase in the Council's element of the Council Tax and caution on spending.

In response to questions, the Finance and Resources Lead Member stated that he understood the pressures on residents but that the proposed Council Tax level had been set in light of funding pressures. He commented that there were concerns over the government's new immigration policy and its effect on the social care sector as one third of the Borough's social care workers were EU citizens and that current care providers were already under financial pressure.

The Director of Resources and Deputy Chief Executive confirmed that the £2 million in capital and £1.5 million in the revenue budget were as yet unallocated as the climate emergency action plan was still in development, but the inclusion of these sums demonstrated the council's commitment to the issues. He advised that there would be fewer specific efficiency programmes compared with previous years but that there continued to be projects in procurement and adult social care. He confirmed that there had been no statements on future social care precepts and advised that the MTFs assumed a 3.99% Council Tax level.

The Chair called for a vote on the recommendations and the first, third and fifth were carried unanimously. The second (on agreement of the Revenue budget) was carried by a majority of eight votes to one against with the fourth recommendation (the level of Council Tax) being carried by a majority of seven votes to two against.

RESOLVED:

1. That the advice of the Director of Resources and Deputy Chief Executive in respect of Section 25 of the Local Government Act 2003 in setting the budget (see paragraphs 3.29 to 3.39) be considered and received.
2. That the Council be **RECOMMENDED** to agree the Revenue Budget for 2020/21.
3. That the intention to increase the Council Tax by 2.0% in relation to the Adult Social Care precept (see paragraph 3.23) be noted.
4. That the Council be **RECOMMENDED** to agree that the Band D level of Council Tax for 2020/21, including the Council's increase in Council Tax of 1.80%, the Social Care Precept of 2% and the GLA increase of 3.61%, be set at £1,871.64, an overall increase of 3.77% on 2019/20. The levels of Council Tax for all property bands are shown at Appendix A.
5. That it be noted that the Medium Term Financial Strategy was approved by this Committee in June 2019 and a further update will be provided in June/July 2020.

60. TREASURY MANAGEMENT POLICY & STRATEGY FOR 2020/21

RESOLVED:

1. That the Treasury Management Policy for 2020/21 as set out in Appendix A be recommended to Council for approval.
2. That the Treasury Management Strategy for 2020/21 as set out in Appendix B be recommended to Council for approval.
3. That the Investment Criteria for 2020/21 as set out in Appendix C be recommended to Council for approval.

61. FORWARD PLAN

The Committee heard that an additional item, '2019 Richmond Residents Survey Feedback' was to be added to the Forward Plan for consideration on 9 April. The committee also requested a verbal update on any further discussions on Diamond Jubilee Gardens (as reported as part of the Twickenham riverside development).

RESOLVED that:

The current list of items included on the Forward Plan for this committee and the additional reports proposed at the meeting be noted and agreed.

62. EXCLUSION OF PUBLIC AND PRESS

RESOLVED that having regard to the particular nature of the business to be transacted, that the public and press be excluded during the consideration of the following item on the grounds that exempt information by virtue of Paragraph 3 of Schedule 12A (as amended) to the Local Government Act 1972 would be disclosed.

63. TWICKENHAM RIVERSIDE DEVELOPMENT

Councillor Cardy left the room for the duration of discussion on this item.

RESOLVED that:

The exempt information relating to the Twickenham Riverside development Report be noted and the recommendations approved as detailed in the public item (Minute 51).

CHAIR

The meeting, which started at 7:00 pm ended at 9:24 pm.