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## FINANCE, POLICY AND RESOURCES COMMITTEE

Minutes of the meeting held on Monday, 28 June 2021.

**PRESENT:** Councillor Gareth Roberts (Chair), Councillor Michael Wilson (Vice-Chair), Councillor Richard Baker, Councillor Aphra Brandreth, Councillor Robin Brown, Councillor Ian Craigie, Councillor Paul Hodgins, Councillor Lesley Pollesche and Councillor Monica Saunders

### 157. APOLOGIES

Apologies for absence were received from Councillor Richard Bennett. Councillor Saunders served as his substitute for the meeting.

### 158. DECLARATIONS OF INTEREST

Councillor Paul Hodgins declared a personal interest with reference to item 10, 'End Year 2020/21 performance report and Key Indicator and RCP action proposals for 2021/22', and RCP077 in particular, that his company, Ginger, provided vehicles to Mytown Shops outside London.

### 159. MINUTES

The minutes of the meeting held on 13 May 2021 were approved as a correct record and the Chair authorised to sign them.

### 160. PETITIONS

No petitions with more than five hundred signatures had been received for discussion at this meeting.

### 161. WARD CONCERNS

No Ward Concerns had been presented for this meeting.

### 162. TWICKENHAM RIVERSIDE SCHEME - UPDATE REPORT

Questions for the Director of Environment and Community Services were invited and responses given. In response to questions about affordable housing the 50% target on habitable rooms was described as well as the policy compliant high proportion of units for affordable rent. The preference of registered social landlords (RSL) to see affordable units in separate blocks for reasons of management and the setting of service charges was described. In response to questions about the retail content of the scheme, the responses explained that the combination of the Authority's planning policy requirements and the market conditions as described by consultants was influencing the amount within the scheme and that an aspiration was to encourage retail use on the Water Lane frontage, as well as King Street. In response to questions about the scheme's cost it was explained that for viability concerns and value for money, initial work had been undertaken on the wider regeneration benefits for Twickenham as a town centre and health benefits had been considered and factors such as council tax collection could be calculated. Longer term regeneration benefits would come forward over the next 15 years. The Chief Executive advised that these benefits were more difficult to monetise, but that a financial value could be estimated for business rates in a shorter timescale. In response to questions about changes to the scheme made over recent months, it was explained that improvements to the scheme, reflecting comments made during consultation, had been made

The committee also heard that comments in the report were an accurate reflection of discussions with the Twickenham Riverside Trust in respect of their Gardens and it was hoped that resolution on outstanding issues would be resolved by September. The power for issuing a Compulsory Purchase Order would not be issued to the Secretary of State until the end of September and only then in respect of the Gardens if no full agreement had been reached with the Trust. Commercial confidentiality issues lasted for some time and the Committee would be asked to commit to a construction contract next year. It was noted that some members of the committee had misgivings

about committing to the scheme's cost when residents were not aware of these in full. The Chair noted that the policy being followed reflected practice on previous schemes.

Following the discussion of the exempt report listed at item 18, the Chair called for a vote on the recommendations. Recommendation 1 was approved unanimously. Recommendation 2 was carried by a majority with two votes against. Recommendation 3 was carried with two abstentions.

**RESOLVED:**

1. **That the update given in this report and the accompanying exempt report be noted.**
2. **That authority be delegated to the Director of Environment and Community Services in consultation with the Assistant Director Housing Strategy and Development, Director of Resources and the Head of Valuation and Asset Management Service to enter into a contract, including the grant of a long lease of the Water Lane Block, with the preferred housing provider to deliver affordable housing and to determine the tenure mix based on the offers received in consultation with the Twickenham Riverside Sponsor Board.**
3. **That contribution of Council held affordable housing commuted sums be noted and supported to enable the delivery of the affordable housing scheme as set out in the exempt report and in line with the recommendations made in the Affordable Housing Update Report to the Adult Social Services, Health and Housing Committee of the 8th June 2021 (see Item 9, paragraph 2.1 and paragraphs 3.52-3.55 of the report).**

**163. TWICKENHAM RIVERSIDE SCHEME - DECISION TO USE COMPULSORY PURCHASE ORDER POWERS**

The Director of Environment and Community Services introduced the report and highlighted the need to include, for legal reasons, section 226(3) of the Town and Country Planning Act 1990 in the second recommendation. He stated that the Port of London Authority (PLA) land is excluded for the Order as agreement has been reached that the PLA will sell the land to the Council. Negotiations with the Twickenham Riverside Trust (TRT) were progressing well, as stated in discussion of the update report (Minute 162).

In response to questions, the committee heard that TRT had established a design group and work was being undertaken to refine requirements. The TRT's intent was to conclude their work by late July. The focus included garden design, how the space was used and future events. The Council's engagement with TRT had included discussions on the design, legal terms and acknowledged that there was a range of views amongst the trustees. The council had provided design information and vehicle tracking information for the Trust to complete the surveyors report, as well as completing shadow studies of the existing and proposed gardens. It was expected that further detailed discussions would take place with TRT over the coming weeks. Officers advised that they could not answer questions on behalf of TRT about their priorities or the nature of their consultation process. It was noted that the Council was aiming to reach a voluntary agreement with TRT, but costs would rise as time went on and access to external funding streams would be more difficult. Therefore, delegated powers were sought from committee to proceed with the Compulsory Purchase Order (CPO) at a relevant point, expected to be late September.

The Council's external legal advisor advised that CPO was a last resort, but if the Council waited too long, valuable time would be lost. Government Guidance was clear on these points and enabled Council's to plan a CPO process and issue proceedings. The Council would have to satisfy various requirements to promote the CPO. These included demonstrating that the acquisition of land was necessary to develop it and that there were social and economic benefits arising from the scheme. The Council would need to show that the scheme which may be achieved is better than others and the benefits can justify a CPO. The Council had sought a QC's opinion and the view was that the benefits of the current scheme were substantial and met the CPO tests.

The Director of Environment and Community Services reminded committee that many previous iterations for this site had not found universal favour and the report explained the benefits of the current proposal.

Officers advised that the scheme could not be delivered without the Diamond Jubilee Gardens. There were discussions with TRT before the design competition was launched as TRT wanted an opportunity for better gardens. During the design competition, a number of schemes were presented, and the public favoured the Hopkins submission. The biodiversity and amenities in the gardens would be increased.

On costs, Officers noted that previous reports stated that £35,000 would be needed to prepare the CPO. Significant costs would be incurred if there was a need to take the CPO to Inquiry. Other commercial property acquisition costs fell outside the CPO process. Other future pressure on costs included build cost inflation. Costs would not lead to this being an unviable scheme. The purpose of the recommendations was to mitigate the costs of an elongated timetable. The committee was also advised that compensation was often settled after schemes were completed. Once the planning application process was complete, it would be clear which properties were affected and negotiation on compensation would commence.

The Director of Environment and Community Services further advised that the delegated powers requested would be used to adjust the CPO. If agreement was reached with TRT, the gardens would be removed.

The Chair concluded discussion by noting that the Council did not wish to resort to CPO and hoped that agreement with TRT would be reached by September, by which time, it would be ten months since the Committee deferred making a decision.

The Chair called for a vote on the recommendations whereby the first and fourth recommendation were carried unanimously while the second and third were carried by a majority.

**RESOLVED:**

1. **That the update given in this report be noted.**
2. **That the Council makes a Compulsory Purchase Order (CPO) under section 226(1) (a) and 226(3) of the Town and Country Planning Act 1990 (in respect of acquiring land), Section 13(1) of the Local Government (Miscellaneous Provisions) Act 1976 (in respect of acquiring new rights) and the Acquisition of Land Act 1981 for the acquisition of all freehold and leasehold interests (and any other interests and rights as may be required) in the land and buildings required to deliver the Twickenham Riverside redevelopment proposal, as shown on the plan attached to Appendix A for the purpose of securing the comprehensive redevelopment of the Twickenham Riverside site.**
3. **That the Director of Environment, in consultation with the Managing Director of the South London Legal Partnership, be authorised to: -**
  - (a) take all necessary steps to proceed with and secure the making, confirmation and implementation of the CPO including land referencing, serving any requisitions for information on affected parties, preparing all necessary documentation (including the CPO, the Order Map and the Statement of Reasons), submission of the CPO to the Secretary of State for confirmation, the publication and service of all requisite notices, and preparing for and presentation of the Council's case at any Public Inquiry;**
  - (b) negotiate terms for the acquisition of the interests in the properties to be acquired**

**by agreement or to affect the withdrawal of objections to the CPO; and**

**(c) amend and finalise the draft Statement of Reasons annexed at Appendix B to this report as considered necessary prior to its submission to the Secretary of State.**

**(d) make reductions, if necessary, to the extent of the land included in the draft Order Plan (annexed at Appendix A) prior to the CPO being made.**

**(e) take all necessary steps to confirm the CPO if granted the power to do so by the Secretary of State.**

**(f) to remove from the CPO any plot (or interest therein) no longer required to be acquired compulsorily, to amend the interests scheduled in the CPO (if so advised) and to request that the Secretary of State makes any changes to the CPO prior to confirmation as may be appropriate;**

**(g) if the CPO is confirmed, to issue confirmation notices, to proceed with acquisition of the interests by use of a General Vesting Declaration and/or Notice to Treat (and Notice of Entry), and to obtain and enforce vacant possession of the land pursuant to the CPO powers and contractual and other powers which the Council may have;**

**(h) settle the compensation payable in acquiring the interests including entering into compensation settlement agreements or undertakings (where such agreements or undertakings are appropriate).**

- 4. That the overall cost estimates, including the estimated acquisition costs of those interests which are still to be acquired and fees for making the Order which will be met from existing budgets be noted.**

#### **164. FACILITIES MANAGEMENT (FM) HARD SERVICES PROCUREMENT**

The Assistant Director (Property Services) advised that the contract would provide reactive, planned, critical and statutory maintenance services across Council owned operational buildings and also enable the delivery of smaller projects with tendered schedules of rates. The procurement of this contract had been previously delayed, the procurement was now ready to move forward and once the contractors had been appointed there would be an opportunity to streamline client side contract management arrangements within the FM service.

He clarified that the work would be tendered in three lots, mechanical, electrical and building fabric with the opportunity to appoint different contractors for all, one or two lots or one contractor taking on all three lots. He confirmed that there was a broad range of contractors in the market, some of whom would cover all three areas, while others specialised in one or two areas. This contract would provide the Council with different options for maintenance.

#### **RESOLVED:**

- 1. That the tendering of a Facilities Management (FM) Hard Services contract with a commence date of 1 April 2022 be approved and the extension of the interim arrangements to engage current contractors providing FM services to the Councils until 31 March 2022 be noted.**
- 2. That the procurement will be a joint exercise between Richmond and Wandsworth be noted.**
- 3. That the award of contract in Richmond be delegated to the Assistant Director (Property Services), in consultation with the Finance, Policy and Resources Committee Chair.**

## **165. CAPITAL AND REVENUE OUTTURN**

The Lead Member of Finance and Resources introduced the report by stating that the financial year 2020/21 had been an extraordinary year. There had been uncertainty in terms of forecasting and risk in terms of collection of Council Tax and Business Rates. Capital expenditure had been delayed. Areas such as transformation programmes in Adult Social Services had not progressed as quickly as planned and costs need to be carried forward. However, compared to previous forecasts, Covid costs in 2020/21 were lower and, overall, covered by Government grants. There were also underspends on revenue and capital budgets. Although there continued to be risks and uncertainty with the ongoing pandemic and local tax collection rates, overall, the Council was in a good position for dealing with the recovery.

The Director of Resources highlighted that support for SEND funding had been received through the Dedicated Schools Grant (DSG) safety valve funding in March. Reserve balances shown were higher than usual in part because of technical accounting adjustments within the Council Tax, Business Rates and Collection Fund, which related to receipt of Government Grant to fund future years' deficits. Each Committee would receive an Outturn report in September showing relevant variances for information.

In response to questions, the Committee heard that some Covid costs were already being seen in 2021/22. There were already significant costs and pressures in children's social care. It was unlikely that budgets and reserves would return to the pre-pandemic position in 2022/23. Some £2 million of NHS hospital discharge costs were a one-off funding arrangement last year. This masked some underspend which would not recur. Income streams were being considered carefully. It was also noted that waste collection costs had risen and would not return to pre-pandemic levels. £1.1 million was included in a Covid grant reserve, which would be carried forward to 2021/22. There were also ring-fenced grants from Government on the balance sheets, which could not be included in the Council's reserves, held for specific use such as control of infection and outbreak management. It was unclear what further grant would be received to cover any ongoing matters arising from the pandemic. The £12 million financial resilience reserve was higher than expected and usage of reserves, in light of ongoing uncertainties would be considered in discussion on the Medium -Term Financial Strategy (MTFS) in September.

The Chair called for a vote and the recommendations were carried with 2 abstentions on recommendation 2.2.

### **RESOLVED:**

- 1. That the outturn position for Revenue and Capital be noted.**
- 2. That the Reserves position as detailed in Appendix A be agreed.**

## **166. END YEAR 2020/21 PERFORMANCE REPORT AND KEY INDICATOR AND RCP ACTION PROPOSALS FOR 2021/22.**

The Assistant Chief Executive introduced the report, which set out the position on performance and the Corporate Plan at the end of an unusual year.

In response to a question on numbers falling and the meaning of the percentages for domestic violence callouts, the Assistant Chief Executive advised that the MARAC cases were those at highest risk. As demand had increased, locally and nationally so performance had dipped. A reduction would be seen as a sign of better management of these cases. During the year ahead the indicator would be re-examined for clarification as this area was one for great focus.

The Head of Economic Development advised that for the town centre support fund (RCP075), grant funding was available to town centre associations and Business Improvement Districts (BID) for Christmas events or any initiatives considered important to them. Some supported town centre managers. The criteria were quite open, but each application was considered carefully on

affordability. There was equity of distribution and this was weighted to those areas which did not have a BID.

The Vice-chair explained that the process for distribution of the Local Area Fund had started for the current year and that detail on the spending undertaken across each Ward could be provided to Members of the Committee.

For Corporate Plan actions, the Assistant Chief Executive advised that as work progressed, key dates could be added to these items.

The Director of Environment and Community Services advised that Community Infrastructure Levy (CIL) collection rates had reduced slightly of late, but that work was in hand to recover the position.

Councillor Hodgins proposed and Councillor Brown seconded that the Community Infrastructure Levy (CIL) collection rate be part of the quantitative scorecard with an annual percentage rate target.

The Chair put this additional recommendation to the vote alongside the other recommendations and all were carried.

**RESOLVED:**

1. **That the performance against key indicators in Appendix A be noted.**
2. **That progress on priority programmes / projects (by exception) set out in Appendix B be noted.**
3. **That the progress on Richmond Corporate Plan actions set out in Appendix C be noted.**
4. **That the proposed key indicators and key actions for 2021/22 set out in Appendices D & E respectively be agreed.**
5. **That no area of performance be recommended for consideration as part of the Policy and Performance Review Board's 2021/22 workplan at this stage.**
6. **That Community Infrastructure Levy (CIL) collection rates should be part of the quantitative scorecard, with an annual percentage rate target.**

**167. FUTURE ARRANGEMENTS FOR THE RICHMOND ADULT COMMUNITY LEARNING AND APPRENTICESHIP SERVICES**

The Spokesperson for Business introduced the report and summarised the history of the Adult and Community Learning (ACL) contract. He explained that the Council wished to cede Greater London Authority (GLA) grant funding directly to Richmond and Hillcroft Adult and Community College (RHACC) for efficiency oversight reasons. The apprenticeship scheme would remain with Achieving for Children (AfC). This would see the Council take on a role of oversight for this type of education in its role as AfC commissioner.

**RESOLVED:**

1. **That the Council ceases to maintain its Adult and Community Learning (ACL) contract with the Greater London Authority (GLA) from the end of this academic year.**
2. **That the Council requests the GLA cede this funding directly to Richmond and Hillcroft Adult and Community College (RHACC) to retain the level of funding support for Richmond residents.**

3. **That the Council agree formal arrangements with RHACC, via a Memorandum of Understanding, to ensure the funding, once ceded, is used for an agreed programme of activity to meet the learning and training needs of Richmond residents identified in the Council's Employment and Skills Strategy and its community support initiatives.**
4. **That the current Governance Board is repositioned to take a more strategic and co-ordinating role, bringing together ACL, apprenticeships, the Council, Further Education, and other provision so that it is aligned according to an agreed strategy.**
5. **That the Spokesperson for Business continues to chair the Board with a second Council representative nominated, ideally from Education and Children's Services Committee, given the link with AfC and apprenticeships delivery.**

#### **168. RICHMOND OPERATIONAL BUILDINGS DECARBONISATION PROGRAMME**

The Assistant Director (Property Services) introduced the report which set out initiatives undertaken to date, future work and the investment and savings expected. This was both in relation to financial savings and reduction in carbon emissions. These initiatives formed part of the Council's response under the Richmond Climate Emergency Strategy. Sources of funding for each phase of work was described and he noted that further audits and surveys of buildings would be required. The Council aims to move away from fossil fuel usage with a focus on the use of energy from renewable and sustainable sources. Post pandemic, the Council was also looking at its use of office space which will also support the work around the carbon reduction. Work was also being undertaken with schools under a Sustainable Schools Strategy which also looked at the educational aspects of carbon reduction as well as supporting schools on improving performance of their buildings.

In response to questions, the Committee heard that an online portal was being developed for schools to join the framework and access to resources such as lesson plans, carbon reduction action plans and any feasibility studies. This would also include energy audits. Twelve schools had already been audited. With assistance from the Council's Policy Teams, the portal was expected to utilise information from external organisations. Support was also provided by the Council through management of the schools' capital programme and funding from the Department for Education. Schools were assisted to bid for other funds and provided with help to develop their own green programmes. Comparison with other local authorities on decarbonisation programmes was difficult as their estates and levels of investment were different. Work was being undertaken with other Boroughs to deliver schemes, but for schools, buildings were very different and there was no fully comparative data. In terms of the Council's office buildings, although these were not fully occupied during the Pandemic, they were open so energy consumption continued as areas could not be isolated. It was anticipated that there would be a reduction in energy consumption, but billing frequency meant that there was a time lag in recording this change.

#### **RESOLVED:**

1. **That this update report on decarbonisation of the operational portfolio and other sustainability activities to reduce the environmental impact of Council operations be noted.**
2. **That new additions to the capital programme of £1.03 million in 2021/22 for the Phase 1 projects as set out within this report be approved.**

#### **169. SOCIAL VALUE POLICY IMPLEMENTATION UPDATE**

The Director of Resources introduced the report and highlighted that the Social Value Policy had been implemented before it was prescribed by legislation. The relevant "TOM's" (Themes Outcomes and Measures) were outlined in the report and these had been linked to the Corporate Plan. Since its implementation by the Council, excepting Framework contracts where work in this area was in its early stages, all contracts commissioned directly had considered social value. There

was an expectation that contracts would be evaluated on price, quality and social value. Capturing Social Value was also expected through negotiation with contractors on contract extensions. The Social Value Toolkit would be published and updated regularly on the Council's website and was an aid for contractors on the Council's expectations and contracts would be monitored.

Responding to a question on whether the 10% evaluation weighting for social value was a standard percentage or could be varied depending on the particular procurement exercise, the Head of Procurement stated that each opportunity was judged on its own merit and how social value could be applied in each procurement.

**RESOLVED:**

1. That the implementation of the Social Value Policy to date be noted.
2. That details of the Social Value committed by successful bidders to date within Appendix A be noted.
3. That the Social Value Toolkit, and associated appendices within Appendix B be noted.
4. That it be noted that consultation with the Voluntary and Community Sector has commenced and is expected to be concluded in August 2021.

**170. ADDITIONAL BUDGET REQUESTS**

**RESOLVED:**

**That the funding of those items listed in paragraph 3.1 from the central contingency budget or other sources as specified be approved.**

Committee	Date	Description	Capital	Revenue	Funding
Finance, Policy and Resources	28/06/21	Decarbonisation Projects	£1,030,000	£0	Climate Change Fund
Finance, Policy and Resources	28/06/21	Carry forwards within outturn report	£0	£2,050,900	£1,790,900 from General fund balances £260,000 from Invest to Save reserve
Environment, Sustainability, Culture and Sports	24/06/21	Conservation and Urban Design team	£0	£44,000	Central contingency
Environment, Sustainability, Culture and Sports	24/06/21	Options for dealing with the new Permitted Development right	£0	£43,500	Central contingency

**171. TREASURY MANAGEMENT ANNUAL REPORT 2020/21**

**RESOLVED:**

**That the risk control aspects of the Treasury Management Annual Report 2020/21 and Prudential Indicators in Appendix A be reviewed and received.**

**172. FORWARD PLAN**

**RESOLVED:**

**That the current list of items, with the addition of the Medium Term Financial Strategy, on the Forward Plan for Committee business be noted.**

**173. 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 items on the grounds that confidential and exempt information by virtue of Paragraph 3 of Schedule 12A (as amended) to the Local Government Act 1972 would be disclosed.

**174. TWICKENHAM RIVERSIDE SCHEME - UPDATE REPORT**

**RESOLVED:**

**The exempt information relating to the Twickenham Riverside Scheme - Update Report be noted and considered alongside the public item.**

**CHAIR**

The meeting, which started at 7:00 pm ended at 9:29 pm.

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## **Twickenham Riverside Scheme - update report**

Written questions submitted by members of the public and the replies.

### **1. Written question from Mr Francis McInerney.**

#### The question

“The Director of Environment's report to this committee suggests that Richmond Council's current proposals for this development achieve some of the aims set out for this site in Twickenham's Area Action Plan and they fully match the ambitions both of the Council and the local community. The design brief in the ITT specifies the requirements of the Twickenham Riverside project - 'must have' requirements, 'should have' requirements and other points for consideration in the development's design. Precisely which of the first two categories of requirements have not been fully matched in the Council's current design proposals?”

#### The answer

“The ITT referred to in the question was for the RIBA led Design Competition to find an architect led team for the site. Hopkins Architects were the winners of this competition based on the evaluation criteria, which in part included their response to the design brief. Following the appointment of Hopkins Architects, the Design Team have developed the detail of the design in consultation with various statutory and local stakeholders. This work has now been completed and the Council are nearing the point of submitting a planning application. The requirements that need to be met by the design have developed, and in some cases changed, since the design competition and the creation of the ITT, including through discussions with the Twickenham Riverside Trust, the Eel Pie Island Association and the Environment Agency, and so it is no longer really relevant to refer back to this document as ‘the brief’. However, the Council feels that the current design does meet the requirements set out in the brief, noting that they have changed and adapted as the design has been developed in line with conversations had and needs which have been established.”

### **2. Written question from Ms Joy Lee.**

#### The question

“Stop this CPO (It indicates that the proposal is not compatible with charitable recreational aims for the Twickenham Riverside Trust) and allow time to listen to users and potential users of DJG. The Trust has not managed to have a single event through this whole consultation period because of COVID-19. The recreational area needs to allow a range of activities to take place. How can a listening Council be so at odds with a stakeholder to be initiating a CPO; what is the rush and will a NO Ball Games notice be the first thing to go up?”

The answer

“The Council has been listening and will continue to listen. Since starting the design competition there have been two periods of public engagement which are preceded by years of conversations over the future of Twickenham Riverside. The Council has also been regularly engaging with the Twickenham Riverside Trust throughout the last few years over the new Diamond Jubilee Gardens, including with a group of Trustees that have been inputting into the design development of the open space and weekly meetings with the Chair of the Trust. The Council is not at odds with the Trust, the Heads of Terms that are being negotiated have been developed with the Trust and agreed in principle by the Chair of the Trust. The Council’s priority and intention is to negotiate an agreement, however the Council must have a way of securing vacant possession of the land in order to secure the delivery of the scheme and its wider benefits for all the residents and visitors of Twickenham riverside.

In relation to the point about allowing a range of activities. It can be of no doubt that the open space has been purposely designed to allow for different activities to take place, for different ages, including those that wish to play ball games. The consultation report shows that of the 829 people who took part in engagement earlier this year, 73% of respondents agreed that the development achieves the ambitions of high-quality open space and pedestrianised priority on the river front.”