

## **FINANCE, POLICY AND RESOURCES COMMITTEE**

Minutes of the meeting held on Thursday, 19 January 2023.

**PRESENT:** Councillor Robin Brown, Councillor James Chard, Councillor Petra Fleming, Councillor Phil Giesler, Councillor Lesley Pollesche, Councillor Gareth Roberts (Chair), Councillor Geoffrey Samuel, Councillor Kuldev Sehra and Councillor Caroline Wren

### **34. APOLOGIES**

Apologies for absence were received from Councillor Nancy Baldwin. Councillor James Chard served as her substitute for the meeting.

### **35. DECLARATIONS OF INTEREST**

There were no declarations of interest on this occasion.

### **36. MINUTES**

The minutes of the meeting held on 17<sup>th</sup> November 2022 were approved as a correct record and the Chair authorised to sign them.

With reference to Minute 22, Ward Concerns, Councillor Giesler reminded all of the need for Ward Councillors to be involved with the action plan.

### **37. PETITIONS**

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

### **38. WARD CONCERNS**

No Ward concerns had been raised for this meeting.

### **39. TWICKENHAM RIVERSIDE - PROJECT UPDATE, FINANCIAL INVESTMENT AND VALUE GENERATION**

The Director of Environment and Community Services introduced the report and accompanying exempt item which provided an update on the regeneration scheme and recent planning application grant. The report also sought financial support for the scheme. He advised that the report was being brought forward at this point, in part due to the case for the Compulsory Purchase Order inquiry which requires that there is demonstrable support for the delivery of the scheme.

The Committee heard a representation from Celia Holman, trustee and secretary of the Twickenham Riverside Trust. She considered that the core of the paper was fiduciary duty and noted the £20 million shortfall. She further considered that a number of the core objectives of the scheme which were a) enhanced public realm b) affordable housing and c) a car free riverside, could be delivered without building out the site and doubted if the social value could be achieved, noting that many of the consequential benefits described related to public realm only. She wondered whether the cost of the scheme represented value on affordable housing and whether twenty-one units could be achieved without the scheme. In conclusion, legal and risk implications were raised.

In response to a further question from the Committee on what the Twickenham Riverside Trust would like to see proposed as an alternative, Ms Holman stated that the Compulsory Purchase Order process (CPO) would require that alternatives were brought forward. She suggested that the

CPO had been brought prematurely and did not consider alternatives. In response to Ms Holman's views, the Chair stated that alternatives would be considered via the CPO process.

In response to questions from the Committee, Officers confirmed that there would be a point to refresh the social value figures, as these had not been revised since November 2021, whereas construction cost and inflation had been updated. Social value had been estimated over thirty years and it was envisaged that the scheme and its benefits would last much longer. In terms of the significant rise in the net cost since November 2021, Officers noted that there had been significant movement in construction costs and inflation of some £6 million, value differences attributed some £2 million, fees and a higher contingency provision had also contributed. Therefore, there was a buffer to accommodate any future issues. Although construction inflation had risen to 24% for certain materials on other schemes, it was now levelling down and the Head of Project Management Office noted that 10% was allowed for the scheme and was considered the most accurate position based on current knowledge. The Director of Environment and Community Services also advised that legal deadlines had not been missed for the CPO and the Council was following the advice of its King's Counsel.

In discussion, points made against the scheme included support for the present Diamond Jubilee Gardens, overseen by a previously established independent Trust, concern that there was no detailed risk assessment in the papers provided, and a view that a significant amount of the compensatory revenue was speculative. Points in favour included acknowledgement that the design brief had always envisaged change for the footprint of the Diamond Jubilee Gardens, and that the Trust had been fully consulted throughout the process, contributing to the design brief, and increased space would be provided. In terms of finance, the Council was in a robust position with increased reserves to manage any uncertainty on the scheme. Risk had been examined by external experts and consultant Project Managers. In terms of revenue generation, the Council would be able to manage any cashflow risks and the current economic challenges could improve. The Committee also noted that the Bank of England was expecting a decrease in the rate of inflation, while the report was taking into account higher levels.

The Chair called for the vote, whereby the first recommendation was agreed unanimously. The second recommendation was carried by a majority with Councillor Samuel and Councillor Wren requesting that their votes against were recorded.

#### **RESOLVED:**

- 1. That the update on the Twickenham Riverside project as set out in this report be noted**
- 2. That capital budget additions of a total of £45 million to be profiled £1.5m 2023/24, £21m 2024/25, £18m in 2025/26, £4m in 2026/27 and £0.5m in 2027/28 as shown in this report in 3.16, be approved, noting that this will be funded by capital receipts generated from the project and available grants with an estimated net cost to the Council of £20 million.**

#### **40. THE RICHMOND UPON THAMES SECONDARY SCHOOL**

The Head of Construction outlined the background to the REEC Project which allowed the development of college facilities, the development of a new Free School, the Clarendon school for students with special educational needs and disabilities. The 2016 scheme allowed for housing which had been delivered by Clarion. A combined sports hall remained to be developed, as Haymarket (one of the original partners) withdrew from the land sale and the college decided to retain its existing sports hall and other building. The planning application was granted for a new design school sports hall and works tendered. The original scheme was funded by the Department for Education (DfE). Of this funding, £1.9 million remained and DfE has agreed to fund a further £4 million, leaving the Council to fund £2.2 million, some of which is already included in the Capital Programme. Therefore Committee was being asked to approve additional Council funding of £1.739 million from the Basic Needs grant.

In response to questions, the Head of Construction replied that the procurement process was based on 70% price, 20% quality and 10% social value (for example in terms of offering local employment or using local suppliers) and that the successful tenderer had been fully assessed against the Council's criteria.

The Director of Environment and Community Services advised the Committee that DfE had offered a high degree of assurance over the funding offered and that legal agreements would follow. The Lead Member for Finance and Resources, Councillor Brown reinforced this advice but noted that the Council would carry any risk on the development.

**RESOLVED:**

1. That the general update provided by this report on the progress made on the REEC project and the delivery of the school sports hall and associated works be noted.
2. That the increase in funding from the DfE of £4m be noted and additional Council funding of £1.739m from Basic Needs grant for the project be approved.
3. That the addition of a Capital budget of £5.916m to the Education and Children's Services Capital programme and a budget virement of £1.739m from the unallocated Basic Needs pot for the construction costs of the sports hall and associated works for the Richmond Upon Thames school be approved.
4. That authority be delegated to the Director of Environment and Community Services in consultation with the Director of the South London Legal Partnership for the Council (as land owner) to enter into the tri party (with Richmond College, now Harrow Richmond and Uxbridge College and Clarion Housing) Section 106 planning agreement associated with the school sports hall planning application on such terms as are considered reasonable in accordance with the heads of terms set out in the report to Planning Committee on 18 August 2022.
5. That the acquisition of the land from the College required to deliver the sports hall at nil consideration and on such other terms as are in the best interest of the Council be approved.
6. That authority be delegated to the Director of Environment and Community Services in consultation with the Director of Resources for the Council to enter into the JCT Design and Build construction contract for the delivery of the school sports hall with preferred bidder A at a contract value of circa £5.7m (exc VAT)

**41. LONDON COUNCILS BOROUGH SUBSCRIPTION 2023-2024**

**RESOLVED:**

1. That a contribution for the London Borough of Richmond upon Thames of £146,763 to the London Boroughs Grant Scheme be approved.

**42. QUARTER 2 (Q2) 2022-23 PERFORMANCE REPORT - RICHMOND CORPORATE PLAN ACTIONS AND KPIS**

The Assistant Chief Executive introduced the report which referred to Key Performance Indicators overseen by this committee (Each committee had received a similar report).

The Committee heard a representation from Celia Holman, trustee and secretary of the Twickenham Riverside Trust, in which she referred to Appendix B - RCP 005 which referenced land negotiations concluded in December 2022. Ms Holman contended that the Compulsory Purchase Order enquiry had been adjourned in July 2022 and restarted under different regulations, which meant that full statement of case would not be due until seven weeks before the Public Enquiry expected in June 2023. She stated that the outline statement was due to be published by 31<sup>st</sup> December 2022. She raised concerns that objectors should not be prejudiced by a timeline dictated by the applicant who had to follow the timetable set by the Planning Inspectorate. She contended that the Twickenham Riverside Trust had told the Council in 2021 that its case was flawed and asked the committee for the Council's legal case.

Having no questions for Ms Holman, the Committee turned to other matters in the report. In discussion, the Committee noted that the approach by various Administrations to consulting the public had met with differing degrees of success and that attendance at recent Community Conversations had been low. It was accepted that there had been much better at themed events held virtually, such as those on the cost-of-living crisis or Hammersmith Bridge. The Chair stated that, while mindful of manifesto commitments to keep in contact with residents, the current Administration was always prepared to look at alternatives. The Committee therefore considered that this topic should be referred to the Policy and Performance Review Board.

**RESOLVED:**

1. That the Finance, Policy and Resources performance against Richmond Corporate Plan key indicators in Appendix A be noted.
2. That progress on Richmond Corporate Plan actions set out in Appendix B be noted.
3. That Community Conversations be recommended for consideration as part of the Policy and Performance Review Board's workplan.

**43. 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, namely,

Committee	Date	Description	Capital	Revenue	Funding
Environment, Sustainability, Culture and Sport	17/01/23	Replacement of the Barn Elms Playing Fields athletics track	£450,000	£0	£350,000 contribution from BEST £100,000 from Council resources
Finance, Policy and Resources Committee	19/01/23	Richmond upon Thames Secondary School - Sports Hall procurement and funding approval and support for the sign-off of related planning agreements	£5,916,000	£0	£5,916,000 grant from DfE Additionally there is an associated virement of an existing Basic Need grant funded budget
		<b>Total Requested</b>	<b>£6,366,000</b>	<b>£0</b>	

**44. FORWARD PLAN**

**RESOLVED:**

That subject to the addition of 'Economic Recovery and High Streets update, including borough UKSPF allocations' and 'Twickenham Riverside Risk Registers', the current list of items on the Forward Plan for Committee business be noted.

**45. EXCLUSION OF PRESS AND PUBLIC**

As the exempt information relating to the Twickenham Riverside Report was considered but not disclosed, the Committee **Resolved** not to exclude the press and public from the meeting.

**46. TWICKENHAM RIVERSIDE - PROJECT UPDATE, FINANCIAL INVESTMENT AND VALUE GENERATION**

**RESOLVED** that the exempt information relating to the Twickenham Riverside Report be noted.

**CHAIR**

The meeting, which started at 7.00 pm ended at 7.58 pm.