

Runnymede Borough CouncilECONOMIC DEVELOPMENT COMMITTEE5 June 2008 at 7.30pm

Members of the Committee present: Councillors P I Roberts (Chairman), D A Cotty (Vice-Chairman), A Alderson, M J Brown, Mrs R M Denby, J R Furey, Mrs C E Gant, J W C Perschke, L C Pouyanne and J J Wilson

Members of the Committee absent: None

Councillor Mrs L M Gillham also attended.

45. MINUTES

The Minutes of the meeting of the Committee held on 6 March 2008 were confirmed and signed as a correct record.

46. NOTIFICATION OF CHANGES TO COMMITTEE

The Group mentioned below had notified the Chief Executive of its wish that the change listed below be made to the membership of the Committee. The change was for a fixed period ending on the day after the meeting and thereafter the Councillor removed would be reappointed.

Group Requiring Change	Remove from Membership	Appoint Instead
Conservative	Councillor H A Butterfield	Councillor J R Furey

The Chief Executive Officer had given effect to those wishes in accordance with Section 16(2) of the Local Government and Housing Act 1989.

47. SERVICE PLAN 2007/08

The Committee was advised on the outturn performance of the 2007/08 Service Plan.

The Government had introduced a new range of National Indicators and each Committee Service Plan would be redrawn to reflect this and other local priorities. A report thereon would be brought to a future meeting recommending the adoption of a revised Service Plan for the remainder of this year.

The Committee again asked for targets and key dates to be more prescriptive so as to assist performance measurement. Members were keen to contribute to the new Plan and this would take place during July/August through their respective Party Groups.

RESOLVED that –

the Service Plan Outturn for Economic Development Services for 2007/08 be noted.

48. YELLOW SCHOOL BUS FUNDING UPDATE

The Committee was advised of funding of the Yellow School Bus Service in 2007/08 and future funding arrangements.

The Yellow Bus Service had received funding from fares collected from students, Section 106 money and business sponsorship. For the period February 2002 to March 2006 the cost of the service had been covered by these three sources (approximately £1m). However, for 2006/07 there had been a shortfall of £113,411 which was largely due to the fact that many residential developments had been refused planning permission where they were sited within 5km of the Thames Basin Heaths Special Protection Area.

This had now been addressed through the adoption by the Council of a Mitigation Plan/Avoidance Strategy, which allowed residential developments to again proceed. The Council's policy had been to seek a contribution from developers on major sites (ten dwellings or more) at the rate of £1,000 per net increase in dwellings (per dwelling).

Over the last financial year, some £180,700 had been received in relation to s.106 contributions from planning applications. Only sums needed to meet shortfalls in income from fares and sponsorship and donations were drawn down to balance the budget. Remaining funds were carried forward to the next financial year. The cost of the Yellow Bus scheme was £300,314 in 2007/08 and this was financed from fares (£100,108), s106 monies (£140,706) and sponsorship/donations (£59,500). A balance of £39,994 of s.106 contributions remained unapplied as at 31 March 2008 and this would be available towards meeting net costs in 2008/09.

The budget for the 2008/09 scheme had been based on contributions from s.106 Agreements of £129,000 being available to meet the net cost. Whilst there were concerns about the current economic downturn relating to provision of mortgages and its impact on the house building industry, there were a number of large developments either on site, or coming forward.

Members were disappointed that the Council had been unsuccessful in its Schools Travel Pathfinder Bid and the basis for the decision.

The Council was actively pursuing the concept of 'carbon trading' reflecting the reduction in CO₂ emissions by students using the Yellow Bus Service instead of being driven to school. Discussions were at an advanced stage with a local company to sponsor a bus for five years.

From 1 April the Council had required financial contributions related to planning permissions for a range of matters including the Yellow Bus Scheme. This was aimed at smaller as well as larger developments. The tariff was based on £500 per standard occupant for each dwelling and £1,000 for every parking space provided in a new commercial development. This was likely to increase sums collected as it applied to a far wider number of developments than at present, although it was dependent on the level of activity in the construction industry.

Members were committed to the scheme and were pleased to hear that on the basis of current projections and development activity generally, with the carry forward from 2007/08 and the carbon trading negotiations, the Yellow Bus Scheme would probably be self-financing in the current year. The increased income from the tariff scheme may in time give the scheme greater certainty and enable possible expansion.

The key difficulty still remained the securing of annual recurring revenue funding from local businesses. The Committee encouraged Officers to seek creative long-term sponsorship options to encourage expansion of the scheme.

49. CAR PARKS INCOME

The Committee considered a report on car parking income for the financial year 2007/08.

The Committee was informed of the income for each of the Borough's off street pay and display car parks. Actual income was compared to the revised budget and the variance and percentage variance shown. Each car park produced less income than the profiled budget.

The overall reduction was 5.8%, representing an income of £26,315 below the revised budget. No geographic part of the Borough had sold fewer tickets and there was no clear pattern to the reduction. For example, in Chertsey, Gogmore Farm had the highest reduction, but Beomonds, Chertsey, had amongst the lowest. Charges were introduced for the first time at Pooley Green in January 2008 and clearly this had met with local resistance.

In Chertsey, Egham and Englefield Green, there were reductions in expected take up of non residents' permits, but a substantial increase in these at Virginia Water. Excess charges exceeded estimates everywhere except Englefield Green. Overall, income from excess charges, permits and season tickets was 12% higher than the revised estimate, giving some £15,144 additional income. When added to the losses on ticket sales, it reduced the overall variance to £11,171.

Whilst car parking income was lower than the revised budget, there was still a surplus and this represented a major turnaround of the service budget from a deficit of £136,000 in 2003.

Car parking charges were increased in January 2008 and whilst increased charges would have raised income, there might have been some consumer resistance to paying these. There was no clear data to indicate why ticket sales were reduced.

Charge increases were based on comparisons with other similar nearby town centres. Details of charges levied in adjoining boroughs were reported which showed that Runnymede's charges were lower than many – especially for long term parking.

The next review of charges would take place in September 2008 by which time more data would be available to indicate usage since the last increase in January.

The Chairman commented that the report in September would review the Council's existing uniform approach to car park charging, the effect of recent charge increases and take up and usage of car parks. The Chairman emphasised the duty of the Committee was to continue to manage the Council's assets in the most effective way.

50. STANDING ORDER 42 - URGENT ACTION

The Committee noted that the following action had been taken by the Officer shown below after consultation with the former Chairman of this Committee under Standing Order 42.

Officer	Action Taken	Central Index No
Director of Administration and Leisure	Grant of 5 year lease of 5A Station Road North, Egham	659

51. INVESTMENT PROPERTY – 9 HIGH STREET (CHARTER PLACE), EGHAM

By resolution of the Committee the press and public were excluded from this meeting during the consideration of this matter under Section 100A(4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraph 3 of Schedule 12A to Part 1 of the Act.

The Committee considered the grant of a new lease of the above premises.

The occupier (Immigration Consultants Ltd.) at No. 10, next door, was a fast growing business and their managing director had expressed interest in relocating to the larger accommodation 320.8m² (3,453 ft²) offered by No 9 from their present premises 227.2 m² (2,446 ft²).

Officers had provisionally agreed a lease term of three years, details of which were noted. The Committee considered this to be a good letting in the current market.

The previous lessee, Honeywell had continued to pay rent while dilapidation issues were resolved.

RESOLVED that –

subject to contract, the Director of Administration and Leisure be authorised to grant a three year lease to Immigration Consultants Ltd on the terms reported and subject to other terms and conditions as he sees fit, and also to negotiate a financial settlement with Honeywell in lieu of their obligation to refurbish the premises and to make this sum available to the new tenant to organise reinstatement works.

52. INVESTMENT PROPERTY - 10 HIGH STREET (CHARTER PLACE), EGHAM

By resolution of the Committee the press and public were excluded from this meeting during the consideration of this matter under Section 100A(4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraph 3 of Schedule 12A to Part 1 of the Act.

The Committee considered the grant of new lease of the above premises following the relocation of the existing occupier to No 9 as reported above.

The marketing of No 9 had generated a number of businesses searching for smaller office space than that offered by No 9 (320.8 m² - 3,450 ft²).

Artificial Lift Company Ltd (ALC Ltd) had expressed an interest. ALC specialised in design and engineering of oil field equipment and related services and needed office space near Heathrow Airport for their sales, marketing and engineering consultancy team that was easily accessible for their international clients.

Officers had provisionally agreed the grant of a three year lease details of which were noted. Again, Officers believed this represented an effective re-letting in current market conditions.

The "back to back" re-letting whilst relocating the existing occupier from No 10 to No 9, ensured all the Council's landlord costs were minimised, the bulk of the rental income was maintained, and the risk of an indefinite void period was alleviated.

RESOLVED that -

subject to contract, the Director of Administration and Leisure be authorised to grant a three year lease to Artificial Lift Company Ltd on the terms reported and subject to other terms and conditions as he sees fit.

53. INVESTMENT PROPERTY - 135/137 STATION ROAD, ADDLESTONE

By resolution of the Committee the press and public were excluded from this meeting during the consideration of this matter under Section 100A(4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraph 3 of Schedule 12A to Part 1 of the Act.

The Committee considered the grant of a new lease of the above premises.

Since 11 June 2004 this office space had been occupied by Cherith Simmons Management and held on a three year lease with the tenant responsible for internal repairs.

Officers had provisionally agreed the grant of a new three year lease last year on the same basis as the original lease in so far as it would be excluded from the security of tenure provisions under the Landlord and Tenant Act. This would enable the Council to achieve vacant possession, at the end of the lease without payment of compensation, should redevelopment proposals of the block come forward in the future.

The Committee noted details of the proposed rent increase and break clause, and

RESOLVED that -

subject to contract, the Director of Administration and Leisure be authorised to grant a three year lease on the terms reported and subject to other terms and conditions as he sees fit.

54. INVESTMENT PORTFOLIO - 1-5 STATION ROAD NORTH, EGHAM (BUDGENS)

By resolution of the Committee the press and public were excluded from this meeting during the consideration of this matter under Section 100A(4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraph 3 of Schedule 12A to Part 1 of the Act.

The Committee considered approval of a new rent following rent review negotiations with the tenant's agent.

Linnco Limited held a lease of these premises for the term of 15 years, expiring 28 September 2011. The tenant, through their under-lessee and occupying franchisee traded as Budgens.

Details of the rent review were noted and Officers believed the basis of this agreement reflected full market value at the review date.

RESOLVED that -

the Director of Administration and Leisure be authorised to complete this rent review at the sum negotiated.

55. 20 SPRING RISE, EGHAM

By resolution of the Committee the press and public were excluded from this meeting during the consideration of this matter under Section 100A(4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraph 3 of Schedule 12A to Part 1 of the Act.

The Committee considered the sale of a parcel of garden land from 20 Spring Rise and the release of the single dwelling covenant

The owner of 15 Ripley Avenue, Englefield Green wished to purchase a parcel of garden land from 20 Spring Rise with the intention of building a single dwelling. The purchaser requested an option or conditional agreement for a period of nine months to establish planning permission.

The tenant of 20 Spring Rise had given written consent that they were happy to give up the area of garden. Housing Officers had no objection.

The Committee noted the financial details of the proposed transaction. Members were agreeable to the proposal but asked Officers to consider imposing a minimum value limit in the relevant clause.

Officers were commended on the proposal.

RESOLVED that -

the Director of Administration and Leisure be authorised to grant the owner of 15 Ripley Avenue, Egham an option or conditional contract to purchase land at 20 Spring Rise; and to vary the single dwelling covenant affecting the land, on the terms reported for a term of nine months.

56. PROPERTY PORTFOLIO – PRESENTATION

By resolution of the Committee, the press and public were excluded from the meeting during the consideration of this matter under Section 100A(4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of the exempt information of the description specified in para. 3 of Schedule 12A to Part 1 of the Act.

The Committee received an illustrated presentation on the Council's property portfolio covering a comprehensive cross section of commercial, operational and strategic holdings throughout the borough. Members were informed of the background and rationale for holding each, the manner in which they underpinned organisational objectives and policy initiatives, the order of the financial returns where relevant, and future aspirations.

The Committee was given an update on the current position regarding the proposed sale of the Pinefields, Church Road, Addlestone and the Civic Offices/Police sites.

Chairman

(The meeting ended at 9.00 pm)