

Runnymede Borough CouncilCORPORATE MANAGEMENT COMMITTEE30 November 2006 at 7.30 p.m.

Members of the Committee present: Councillors J.R. Furey (Chairman), A. Alderson, A.J. Davis, Mrs L.M. Gillham, C.J. Norman, Mrs J. Norman, D.W. Parr, P.I. Roberts, N.Thewlis and G.B. Woodger

Members of the Committee absent: None

Councillors J. Broadhead, Mrs P.I. Broadhead, M.J. Brown, J.M. Edwards and H.W.V Meares also attended.

391. NOTIFICATION OF CHANGES TO COMMITTEE MEMBERSHIP

The Conservative Group had notified the Chief Executive Officer of its wish that the changes listed below be made to the membership of the Committee. The changes were for a fixed period ending on the day after the meeting and thereafter the Councillors removed would be re-appointed.

<u>Remove from Membership</u>	<u>Appoint Instead</u>
Councillor Mrs F.M. Angell	Councillor A.J. Davis
Councillor J.E. Haas	Councillor Mrs J. Norman
Councillor Ms C.M. Simmons	Councillor P.I.Roberts
Councillor P.J. Waddell	Councillor D.W. Parr

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

392. MINUTES

The Minutes of the meeting of the Committee held on 2 November 2006 were confirmed and signed as a correct record.

393. DECLARATIONS OF INTERESTS

Councillors A. Alderson and C.J. Norman declared prejudicial interests in respect of the item on Association for the Improvement of Runnymede (AIR) Funding, as they were both Directors of AIR. They both left the room for discussion and voting on this item.

Councillor Mrs L.M. Gillham declared a personal interest regarding the item on the Capital Programme Prioritisation and remained in the room for that item. The interest related to the scheme in the Capital Programme on Thorpe Village Hall extension, as she was the bursar of the Thorpe Village Hall playgroup.

394. REFERENCES FROM OTHER COMMITTEES

Leisure and Environment Committee – 16 November 2006

Leisure Computerised Booking System

The Committee received a reference from the Leisure and Environment Committee, which at its meeting on 16 November 2006, had resolved to seek approval for a capital estimate for the purchase of the Gladstone MRM computerised booking system, for use in the Leisure Services Division.

This would be an extension of this system already being run successfully at the Egham and Addlestone Leisure Centres. As the system had been effective in these other areas, the Leisure and Environment Committee had agreed to waive the provisions in Contract Standing Orders requiring the seeking of competitive tenders or quotations for the purchase of the licence to operate the system in the Civic Offices.

The Corporate Management Committee noted that the Gladstone MRM system would be more efficient and cost effective than the existing system. It had greater flexibility, the ability to offer an on-line booking system, and access controls, which would address security and accountability. The purchase cost was £18,000. There was currently provision in the Capital Programme of £16,000 for this scheme, made up of past revenue savings. The annual maintenance costs were estimated to be £2,500. The provision in the budget for the current system was £8,000, which would mean an annual saving of £5,500. The funding for the purchase would be met from capital receipts.

RESOLVED that –

a capital estimate in the sum of £18,000 be approved for the purchase of the Gladstone MRM system.

395. BEST VALUE PERFORMANCE INDICATORS 2006/07 – SECOND QUARTER PROGRESS

The Committee was updated on progress against Best Value Performance Indicators for the period July to September 2006. The overall picture was a positive one.

Current performance in total tonnage of household waste sent for recycling was just below target and home composting was encouraged by the Council. It had proved to be more cost effective to undertake assessments of land and highways having combined deposits of litter and detritus that fell below an acceptable level by using in-house staff rather than by employing consultants. There was a lower percentage than previously of planning appeal decisions in which the Inspector had found against Council decisions to refuse permission when compared against appeal decisions in which the Inspector had confirmed the Council decisions to refuse. The Council aimed to carry out a character assessment of one of its conservation areas by the end of 2006/07. This would, however, have to be a detailed piece of work and could only be undertaken if resources allowed.

Invoices paid within 30 days stood at 92.6% for the last quarter but the October monthly performance had been 95%. There had been some staffing difficulties which had been resolved and the new purchase order system should also lead to improvements. In Council Tax and Housing Benefits, Investigation Officers had had to concentrate on the investigation of large-scale frauds with the Department of Work and Pensions (DWP), which had resulted in them not being able to undertake as many other fraud investigations. Recovery of overpayments of benefits had also fallen, although a DWP target for this year had not yet been received.

396. PRIORITY INDICATORS OF PERFORMANCE 2006/07 - SECOND QUARTER PROGRESS

This Committee considered the second quarter position for 2006/07 in the priority indicators of service delivery performance.

The Council was required to ensure that all of its homes met the Decent Homes Standard by 2010. In 2005/06 the number of homes which failed the standard was 306 in total representing approximately 10% of the Council's housing stock (compared to a total of 985 in 2001/02 and 380 in 2004/05). The 306 total excluded properties at Roakes Avenue which were now empty and awaiting demolition. Although performance had been good, the target had been missed by 1%. Amongst the homes that failed the standard were the units at Wapshott Road. The Secretary of State had now given consent to the scheme for this estate and, subject to further administrative steps being completed, work to demolish the units would start in 2007. Schemes to upgrade electrical systems in some of the Council's other remaining non decent homes were progressing well and, as a result of this and other planned maintenance schemes, a further 111 units should comply with the Standard

by April 2007. The Council's performance in relation to the Decent Homes Standard exceeded that of most other local authorities.

Performance regarding the percentage of telephone calls answered at switchboard and at extensions within four rings was just below target. In the new offices, switchboard and reception duties were likely to be physically separated so that better attention could be given to both personal visitors and phone callers. Noting that Managers would continue to ask staff to make use of the divert facility in case of absence from their desks, the Committee asked that particular effort be made by Officers to improve the answering performance when sections were not staffed.

The Committee was content with progress reported in respect of the other key performance indicators.

397. SERVICE PLAN 2006/07 - HALF-YEARLY PERFORMANCE

(Ref: Minutes of Corporate Management Committee, June 2006, page 15, para. 31)

The Committee noted half yearly performance in respect of the Corporate Management Committee Service Plan for 2006/07.

A recent Customer Satisfaction Survey, which would be reported in full to a future Committee meeting, had shown a 67% satisfaction level which was high and placed the Council within the top ten of all 238 district Councils in the country. Runnymede's Band D Council Tax of £115.11 was the lowest amongst the Surrey districts and the seventh lowest amongst the 238 districts in the country. One of the targets within the Service Plan was to increase the amount of people and organisations which paid their Council Tax and non domestic rates by direct debit. The numbers who paid their Council Tax by direct debit was gradually increasing. (70.1% in 2003/04 and 2004/05, 71.36% in 2005/06 and 72.92% in 2006/07). The Committee wanted to see this figure increase further. However, it noted that while the Council continued to pay the fee for those paying at the Post Office, who were usually the less prosperous members of the community, it would be difficult to persuade these payers to use direct debit. The Council had managed to reduce the Post Office fees. While the Council encouraged people to pay by direct debit, it continued to accept a variety of payment methods, as some people did not have a bank account.

398. COMMUNITY EVENTS GRANTS PROGRAMME

(Ref: Minutes of Leisure and Environment Committee September 2003, page 675, para. 347)

The Committee considered the future of the community events grant programme upon the expiry of funding commitments in the current financial year, 2006/07.

A budget of £20,000 had been established in 2003/04 in order to provide grant support to local shows and events, following a request for support from the Egham Royal Show. At its meeting in September 2005, the Committee had agreed to reduce this sum by £5,000 as part of the revenue reductions programme. It had been necessary to phase this saving in over two years in order to honour existing commitments, thereby reducing the budget to £17,500 in 2006/07 and £15,000 in 2007/08.

Most of the provision had been directed towards the Egham Royal Show, the Black Cherry Fair in Chertsey and the Chertsey Show, all of which had been guaranteed £5,000 per annum for a three year period between 2004/05 and 2006/07. The other regular beneficiaries were the Englefield Green Village Fair (£750 in 2006/07), Magna Carta Day, Egham, (£750 in 2006/07), and the Addlestone Summer Fair (£500 in 2006/07), although these smaller grants had been awarded on an annual basis and carried no commitment to ongoing funding. Occasionally other events also received financial assistance. The reduction in the budget in 2006/07 did not entail any corresponding decrease in grant awards, since a surplus was usually recorded. As the Council's financial commitment to the three major events finished in 2006/07, a decision now needed to be taken on whether to extend support for a further period from 2007/08 and, if so, at what level. Each of the events supported by the Council remained an important part of the local calendar.

The Committee noted that the initial funding decision had been made at a time when there was concern over the potential traffic management costs that the organisers of the Egham Royal Show might have to bear upon the termination of the Highways Agency. However, the highways cost burden had not proved to be as great as was anticipated. All of the events supported recorded a

profit each year. A breakdown of the income/expenditure position for each of the regular recipients of funding was noted. The Council's assistance generally appeared to have been utilised to develop reserves rather than fund enhancements or meet new spending obligations. Most of the shows now had a reasonable contingency provision. The grant programme therefore seemed to have achieved its principal objective, that of securing the immediate future of each event and of removing significant financial need. Even if one of the shows had a bad year because of the weather or other factors they should still have sufficient resources to survive.

The Committee concluded that it was appropriate to retain a residual provision of 50% of the 2007/08 budget (representing a total of £7,500) and reduce proportionately the sums available to each event, to £2,000 for each of the major shows, leaving £1,500 to be allocated equally amongst the remainder. It was reported by Members at the meeting that the Addlestone Summer Fair was likely not to take place in 2007 and that an Arts Festival was being proposed instead. The Committee agreed that it was appropriate to make provision for such community event as may occur in that town and for the same sum as for the Englefield Green Village Fair and for Magna Carta Day. If any of the organisations was experiencing particular hardship, the Committee could reconsider the level of support provided at any time.

In addition to the cash grants, a number of the events continued to benefit from help in kind such as the free use of Council land. Officers also provided assistance with the preparation and subsequent reinstatement of venues where appropriate. This would not be affected by any reduction in the grant awarded.

RESOLVED that –

- i) a £500 provision be made in 2007/08 for a grant towards such community event as may occur in Addlestone; and**
- ii) provision for other community events grants for 2007/08 be made as follows:-**

<u>Organisation</u>	<u>Amount</u>
Egham Royal Show	£2,000
Black Cherry Fair, Chertsey	£2,000
Chertsey Show	£2,000
Englefield Green Village Fair	£500
Magna Carta Day, Egham	£500

399. ASSOCIATION FOR THE IMPROVEMENT OF RUNNYMEDE (AIR) FUNDING
(Ref: Minutes of Corporate Management Committee, 29 June 2004, page 80, para. 55)

The Committee considered whether increased funding for AIR (Association for the Improvement of Runnymede) was appropriate in order to support its administrative costs.

The Association for the Improvement of Runnymede (AIR) had been established in 2000 as an Independent Environmental Body for Runnymede to utilise the landfill tax credits scheme to the benefit of local community projects. Over the last six years, AIR had secured funding from environmental trusts totalling £575,600 for organisations in the Borough. This included £174,000 for Council schemes. AIR had been established as a company limited by guarantee. The Council was closely involved in stimulating the local interest to create the organisation and Councillors served as Directors on the board and as company secretary and project manager.

AIR had now written to the Council to request an increase in the annual financial support provided by the Council to £10,000. AIR had been hoping to generate sufficient income from the contributions paid by successful grant applicants to cover their administrative costs without the need for a Council subsidy. Unfortunately, the monetary value of the projects being handled had never been large enough for contributions to cover their expenditure. AIR had therefore relied on the Council's contributions to remain a going concern. The Directors of AIR believed that AIR could only survive if the Council increased its annual commitment to £10,000. As in the past, the Directors' intention would only be to request the full grant if AIR failed to generate enough income from other sources.

This current outlook had been prompted by a number of recent developments. Environmental trusts would no longer award grants for recycling or waste management. The Hanson Environmental Fund and the Norlands Trust (both of whom had awarded grants in the past) no longer operated in the Runnymede area. Another body, Onyx, would only consider projects within five miles of its Walton site. The arrangements for distributing tax credits now allowed environmental bodies to become Distributive Environmental Bodies. This meant that organisations applying for grants were able to apply direct to these organisations if they wished, rather than apply via AIR. In Surrey, RMC Community Fund Ltd and The Onyx Environmental Trust had registered as Distributive Environmental Bodies.

However, recent work by AIR had resulted in the award of £24,425 from SITA towards the wet and dry habitat and tree planting in the new Hythe Park, which had been confirmed in September 2006. AIR was also currently handling applications from local groups totalling in excess of £100,000. Officers believed that AIR continued to offer local residents value for money. AIR made a major contribution to financial support for local projects by leveraging in funds for the borough and therefore constituted an exceptional case. The Committee therefore agreed to support AIR's request for an increase in the Council's annual grant, but agreed that this should be reviewed annually in the light of the assessment of AIR's future viability by its Directors.

The original estimates for 2006/07 provided for a grant of £5,000 to be paid to AIR. If a planned underspending of £2,500 was brought forward from 2005/06, an increase in grant to £10,000 required a supplementary revenue estimate of £2,500 in 2006/07. There was an anticipated net saving of £4,000 in the overall grants budget as a result of the DAIRS closure and this would offset the additional cost of the AIR grant.

RESOLVED that –

- i) the annual grant to AIR be increased to £10,000 with effect from the current financial year;**
- ii) the position be reviewed annually with the board of Directors of AIR; and**
- iii) a supplementary revenue estimate of £2,500 be approved to cover the additional financial commitment in 2006/07.**

400. CALENDAR OF MEETINGS 2007/08

The Committee considered the proposed Calendar of Meetings for the Municipal Year May 2007-May 2008.

The Planning Committee would meet every three weeks which resulted in the June 2007 meeting of Housing and Community Services Committee being a week earlier than normal, and the November 2007 and January 2008 meetings of Housing and Community Services Committee, the February 2008 meeting of Englefield Green Committee and the April 2008 meeting of the Licensing Committee taking place a week later than usual. Additional meetings of the Planning Committee or reserve dates needed to be set aside to deal with major aspects of the Local Development Framework, if required. The Committee therefore agreed the additional/reserve meetings for this purpose for Wednesday, 20 June 2007, Wednesday, 19 September 2007, Tuesday, 20 November 2007 and Tuesday, 26 February 2008. The June 2007 meeting of the Leisure and Environment Committee had been scheduled for a week later than normal at the request of the Chairman. The Council's accounts required approval by the end of September and in order to do this, the Corporate Management Committee would be meeting a week earlier than usual, on 27 September 2007.

RECOMMEND that -

the Calendar of Meetings for 2007/08, as set out in Appendix 'A', be approved.

401. FINANCIAL MONITORING STATEMENT

The Committee noted the latest financial projections for the 2006/07 financial year for the Council's corporate and business services. The savings from the closure of the cash office would be achieved in future years, as originally planned.

402. CAPITAL PROGRAMME PRIORITISATION

The Committee considered the results of the exercise to prioritise the Capital Programme, and consequential action.

The Committee had agreed that it was necessary to review the overall affordability of the Capital Programme when it considered the five-year Financial Forecast in October. The Programme had included proposals for new schemes with a total cost of £2.6 million. In order to limit the impact of the revenue implications on the General Fund, Council had agreed that the additional capital programme funding requirement from capital receipts should be restricted to £500,000, thereby reducing the capital funding requirement by £2.1 million over the life of the Forecast.

The Officer group deputed to report had now met. Officers had approached the exercise using the prioritisation methodology set out in the Capital Strategy as approved by Council. Copies of the relevant paragraphs (5.1 to 5.4), and Appendix '3', of the Capital Strategy are attached at Appendix 'B'. Committed schemes (i.e. those which were already contracted, commenced, or which were essential adjuncts to committed projects such as the new Civic Offices) had been excluded from the exercise. All uncommitted proposals were prioritised, whether in previous editions of the capital programme or newly added. Each uncommitted proposal was allocated to one of the priority categories set out in section 5 of the Strategy. It had also been scored according to the table provided in Appendix '3'. The priority category determined the coarse level of priority. The Appendix '3' score placed the scheme within its priority level. Thus, a low-scoring scheme of priority 2 would still rank higher than a high-scoring scheme of priority 3.

The results of the exercise are set out at Appendix 'C'. On the agreed basis, the bottom £2.1m-worth of schemes could not be brought forward within the life of the five-year Forecast, i.e. would not be scheduled before April 2011. The schemes falling to be postponed on this basis were:

- £193,800 out of the £601,100 provision for IT upgrades and improvements
- DMS third phase
- Task Financials
- Addlestone Leisure Centre outdoor courts
- Egham Leisure Centre car park extension
- Beomonds Allotments - Chertsey Library Car Park extension. (The Committee noted that proposed extension to Chertsey Library Car Park might well be evaluated as income-producing in net terms, notwithstanding the loss of investment income and the cost of maintenance. If this was verified, this item would be raised a priority level and would fall above the postponement line)
- Heathervale staff toilets
- General IT provision
- Addlestone strategic acquisitions (Station Road)
- Brookside play area
- Runnymede Pleasure Ground access road
- Victory Park pavilion replacement
- Thorpe Village Hall extension
- General parks improvements.

Numerous factors could alter the priority given to schemes in future, including further reviews of prioritisation during the life of the Forecast, or a reduction or increase in the cost of schemes, particularly those ranking above the postponement line in the prioritisation list. If any scheme achieved external funding this would reduce the call on capital reserves and affect its placing, and if a particular scheme proved to be self-funding or income-generating in revenue terms, that would also affect its position. The addition of further schemes to the programme would need to be prioritised at the time of approval and would thus rank above or below the present division. Schemes could also be removed. This was a rolling exercise and the amount of capital funding available, together with the prioritisation of the schemes, needed to be reviewed comprehensively from time to time,

notwithstanding ad hoc adjustments made or other good reasons. This should probably be done on at least an annual basis.

The proposed prioritisation met the requirement of the approved Financial Forecast for no more than £500,000 of additional funding from capital receipts (over and above the previously approved Programme) before April 2011. This restricted the impact on net revenue expenditure to the amount set out in the Forecast.

In relation to individual projects, the Committee noted that a property in Ferndale Avenue had been purchased with a view to obtaining access to the land to the rear of that road. Surrey County Council was engaged in dialogue with the Charity Commission regarding the purchase of Tulk Field. The Frank Muir Memorial Field scheme would be almost entirely funded from landfill grant sourced via AIR. The Council's proximity to the Horsell Common Site of Special Scientific Interest (SSSI) and the Thames Basin Heaths Special Protection Area (SPA) had led to the need to provide for the acquisition of mitigation sites within the capital programme. The need could be affected by the technical assessment of the South East Plan which would, however, not be adopted until 2008. In the meantime, mitigation schemes for the borough (i.e. ways of complying with SSSI and SPA requirements according to Natural England guidance) would be considered by the Planning Committee early in the New Year.

RECOMMEND that -

- i) the Capital Programme prioritisation as set out in Appendix 'C' be confirmed;**
- ii) in the event that any scheme ranking for implementation before April 2011 is externally funded or part funded, the capital funding so released be applied to a scheme which would otherwise be deferred;**
- iii) Officers be authorised to review the spending estimates for individual schemes from time to time and to adjust the list of deferred schemes if this review increases or reduces the capital funding requirement for the Programme; and**
- iv) every new scheme coming forward be prioritised at the point that Committee approves its addition to the Capital Programme, and the list of deferred schemes be adjusted at that time if necessary.**

403. ELECTRONIC TENDERS FOR EQUIPMENT FOR NEW CIVIC OFFICES

In order to meet tendering deadlines for the supply and installation of IT and telecommunications cabling and equipment for the new Civic Offices and to avoid delaying the build, a decision was now required on the appropriate method of tendering.

The Office of Government Commerce (OGC) had announced that GCat had been replaced by a series of OGC framework agreements, with effect from 30 September 2006. Under the framework agreement(s) suppliers could be selected from an OGC list and then invited to tender electronically. It was not an electronic auction. The advantages of the framework agreements were that the use of the tender procedure to obtain competitive prices should result in optimum value for money, the suppliers were already vetted by OGC, and the procedure would comply with European Procurement Directives. Use of the OGC met the Commission requirements on advertising of contracts and did not preclude seeking tenders in the usual way or from parties known to have an interest but not within the OGC frameworks. OGC contract conditions would be used and the procedure would also speed up procurement. The electronic tender would be pre-set so that it could only be opened at a set time, (i.e. the electronic equivalent of a sealed bid) and the details would be recorded in the official Tender Return Book by an authorised person. Electronic tenders would be returned to the Committee Section. No additional costs would be incurred by using the OGC electronic tender procedure.

The Committee accordingly agreed that the items set out in resolution i) below be obtained through the OGC electronic tender process. The Committee also agreed that a traditional tender process be adopted for the installation of network cabling, to run concurrently with the OGC electronic tender

process for that item. Both the traditional tender and OGC electronic tenders for network cabling would be evaluated simultaneously. This would allow Officers to evaluate tenders from a number of specialist IT cabling suppliers who were currently not included in the OGC framework.

RESOLVED that –

- i) the Office of Government Commerce (OGC) electronic tender procedures be used to procure the IT machine room fit out, the VOIP (Voice Over Internet Protocol) switch, the IT network active components, the printing solution and other IT hardware for the new Civic Offices; and**
- ii) a simultaneous traditional tender and OGC electronic tender procedure be operated in the case of the tenders for the network cabling for the new Civic Offices.**

404. PINEFIELDS LAND - FUTURE USE

By resolution of the Committee, the press and public were excluded from the meeting during the consideration of this matter under Section 1004(A) of the Local Government Act 1972 on the grounds that 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 reconsidered the options for the future use of the land occupied by the Pinefields Sheltered Housing scheme in Addlestone, in the light of valuations undertaken taking into account a number of factors.

The subject matter was within the purview of the Housing and Community Services and Economic Development Committees as well as touching on the Council's capital priorities. In view of the need for an early decision on the way forward as well as the virtue of considering the matter at a single meeting, the Chairmen of those Committees had agreed to the matter being dealt with at the Corporate Management Committee.

The site at Pinefields, Church Road, Addlestone was currently occupied by a sheltered housing scheme. This scheme was one of the older units that the Council currently owned and the accommodation within it was below current day standards. At its meeting in March 2006 the Housing and Community Services Committee had considered the results of an options appraisal undertaken for Pinefields and had agreed that the scheme should be demolished. The Committee requested that the land sold be used to provide an extra care affordable housing scheme. It was not feasible to convert the existing facilities into extra care provision. The Economic Development Committee subsequently resolved that the site be disposed of for redevelopment with affordable housing. Extra care housing provided 24 hour support for residents providing assistance with washing, dressing and preparing meals and a care package for each person. It represented a solution mid way between residential care and sheltered housing.

The use of the site for extra care housing was considered appropriate for a number of reasons. It would increase the number of supported housing units in the borough, (which would contribute towards the draft Housing Strategy target), and would meet the needs identified within the recent Extra Care Housing Strategy. The current Supporting People funding that was paid for the existing sheltered housing scheme at Pinefields could be retained within Runnymede and utilised within the new scheme. The provision of extra care would meet the Surrey Supporting People Strategy priorities, and the scheme would be welcomed by the current sheltered scheme managers within other Runnymede schemes because they were finding that many of the clients which were referred to them were very frail and were better matched to extra care accommodation, rather than placed in ordinary sheltered housing. An extra care scheme might also release dwellings which were currently occupied by elderly people, so that they could be taken up by people on the Housing Register.

Following the decision of the Housing and Community Services Committee and Economic Development Committee, Officers had been working with the County Council to progress arrangements to provide an extra care scheme. Arrangements had also been made to decant the existing residents to alternative accommodation. This had gone extremely well and there were now only 6 tenants to be rehoused. It was anticipated that the remaining residents would be rehoused over the next few months and that the scheme would become vacant in the spring of next year.

A procurement process had also been put in place for the extra care provision. The process involved securing both a care provider and a developer for the building. This made the procurement complex and drew it into the requirements of European legislation. The current procurement timetable for extra care estimated that the site would not be handed to the developer until the autumn of 2007. This was an optimistic timetable and assumed publication of an advert for expressions of interest in early December 2006. Planning permission would also be required. If vacant possession was obtained of the scheme in the spring of next year then it would be necessary to secure the site and to maintain this security until the site was handed over to a developer. The likely cost was not available but was likely to be substantial.

As part of the procurement procedure, arrangements had been made for a valuation to be undertaken of the site. An external Valuer had been asked to give an opinion of value based on extra care and an opinion of value based on ordinary housing.

The external Valuer had found that the value of the land for the extra care housing option was substantially lower than that for ordinary housing. The detailed breakdown of the estimated values was noted. None of the figures envisaged Housing Corporation grant being obtained towards the social housing. Officers had met with the Housing Corporation to try and establish the likelihood of grant being forthcoming and, whilst grant funding was not guaranteed in either scenario, Officers had been informed that there was a slightly higher chance of funding for extra care sheltered housing than for ordinary housing. This was because provision of supported housing was a regional priority.

The valuations also assumed that 50% of the affordable housing to be provided in the ordinary housing scheme would be shared ownership. However, shared ownership was only affordable to a very small number of people in housing need and the Council would normally require that developers had no more than 22% of such units in a scheme. Reducing the level of shared ownership within the scheme would reduce the value of the land in an ordinary housing scheme.

The Pinefields site was affected by the Special Protection Area (SPA) for the purposes of the regulations under the EU Habitats Directive, and it was anticipated that, under current Natural England guidance, a developer would have to provide mitigation, unless the Planning Authority agreed otherwise. Officers had written to Natural England (formerly English Nature) regarding the provision of extra care. Natural England had now confirmed that they would raise no objection and would seek no mitigation if extra care housing was provided on the site. They would however, require mitigation measures for a general needs scheme.

The highway authority, Surrey County Council, had confirmed that while they would resist a new vehicular egress onto Church Road, the existing entrance from Simplemarsh Road would be acceptable for an extra care scheme. However, this might not be the case for an ordinary housing development and this might necessitate changes to the existing entrance to the site and a County contribution towards highway alterations.

The external Valuer had been asked to revise his values having regard to Housing Corporation grant, percentage of shared ownership, SPA and highway issues. The potential values arising from this combination of factors were noted by the Committee.

All sales of housing assets were subject to the Government housing capital receipt pooling system. For sales of housing land, (as Pinefields was), the pooling rate was 50%. The part of any receipt that did not have to be pooled might be used at any time for any capital expenditure, but this did mean that the poolable part of the receipt had to be paid to the Government, unless a local authority chose to allow the capital receipt (other than from right-to-buy sales) to be used for its own affordable housing and regeneration projects, rather than pooling it. This meant that the Council could retain all of the receipts from the sale of the Pinefields site, as long as the receipt was used for affordable housing. The definition of affordable housing was wide and included capital works to the Council's housing stock and private sector renovation, as well as providing new affordable housing. Therefore, it was beneficial for the Council to retain housing capital receipts rather than pass them to the Government pool. Maximising local capital receipts would be useful in helping finance the housing capital programme over the next few years. The availability of receipts from sales of housing land would minimise the need to call on general capital reserves. In addition, income from the receipt pending its expenditure accrued to the General Fund and therefore eased the pressure on that Fund, which was a point of particular importance in the light of the Council's net revenue reduction strategy.

The Committee therefore agreed that the capital receipt from the sale of the Pinefields site be retained locally to be used to finance future housing projects.

The Committee noted the comments of Unison and the response of Officers regarding the personnel issues which arose out of the closure of Pinefields as a sheltered housing facility.

If the same assumptions were made about grant for extra care and ordinary housing, providing extra care was likely to produce a reduced capital receipt for the land. However, the extra care scheme would attract slightly higher priority for housing grant and the development issues relating to the SPA and highways could be more easily resolved, allowing the scheme to proceed as quickly as possible. The Committee agreed that their preferred option in service terms would be to pursue an extra care scheme.

Current indications were that the demand for extra care accommodation was likely to continue to rise over the next few years, with perhaps in the region of 100 extra places being required. The provision of extra care was a strategic priority for the County Council, as it provided accommodation for frail older people at a cost that was below residential care costs. The County Council would therefore benefit from the provision of the scheme. They had already confirmed that they would contribute towards any revenue costs that were not covered by Supporting People Grant. However, as the difference in land values for extra care was so marked, the County Council had also been asked if they could contribute towards the capital cost of the scheme and it was understood that they might be able to do so, subject to a business case being agreed by County Members. The Committee agreed to pursue the extra care route, subject to a clear and substantial commitment by Surrey County Council to make capital and revenue contributions.

RESOLVED that –

- i) the principle of the Pinefields site being designated as an extra care facility be approved, subject to a clear and substantial commitment by Surrey County Council to make a capital contribution to any potential shortfall in land receipts as a result of not pursuing an open market sale, and the County Council's undertaking to cover the additional revenue costs of the extra care facility;**
- ii) Officers report back to Committee on the terms negotiated with Surrey County Council before committing to any disposal; and**
- iii) the receipt from the sale of this site be retained locally and used to finance improvements to the housing stock or affordable housing in future years.**

Chairman

(The meeting ended at 9.50 pm)