

# Public Document Pack



## Supplement 1

Dear Councillor

### **POLICY, PROJECTS AND RESOURCES COMMITTEE - TUESDAY, 19TH SEPTEMBER, 2017**

I am now able to enclose, for consideration at next Tuesday, 19th September, 2017 meeting of the Policy, Projects and Resources Committee, the following reports that were unavailable when the agenda was printed.

<b>Agenda No</b>	<b>Item</b>
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|----|---|
| 3. | <b><u>Parking Strategy Update</u></b> (Pages 3 - 32)  |
| 4. | <b><u>Less Than Best Consideration Policy Amendment</u></b> (Pages 33 - 50)   |
| 5. | <b><u>Warley Scout Lease - Amendment to Heads of Terms Approved at Committee in February 2016</u></b> (Pages 51 - 58) |
| 6. | <b><u>Seymour Pavilion and Playing Fields</u></b> (Pages 59 - 84)   |
| 7. | <b><u>Corporate Projects</u></b> (Pages 85 - 92)  |
| 8. | <b><u>2017/18 General Fund Revenue and Housing Revenue Account Budget Monitoring Update</u></b> (Pages 93 - 100)      |
| 9. | <b><u>Brentwood Asset Development Programme</u></b> (Pages 101 - 118)   |

**Brentwood Borough Council**, Town Hall, Ingrave Road, Brentwood, Essex CM15 8AY  
tel 01277 312 500 fax 01277 312 743 minicom 01277 312 809 [www.brentwood.gov.uk](http://www.brentwood.gov.uk)

Yours sincerely

A handwritten signature in dark ink, appearing to read "P. L. R. B." followed by a large, stylized flourish or underline.

Chief Executive

Encs

**19th September 2017**

## **Policy, Projects and Resources Committee**

### **Parking Strategy Update**

**Report of:** *Adrian J Tidbury - Estates and Valuation Surveyor Portfolio Development*

**Wards Affected:** *Brentwood South*

**This report is:** *Public*

#### **1. Executive Summary**

- 1.1 This report considers and reviews the completion of the concrete repairs to the Coptfold Road Multi Storey Car Park (MSCP) in March 2016 as part 1 of the two-phased planned refurbishment of the structure.
- 1.2 This report considers the results of the structural survey and the commencement of phase two works completing the refurbishment project.
- 1.3 This report also considers elements of the Strategic Parking Review with respect to the night time economy and recommends a number of minor adjustments to the parking order generally.

#### **2. Recommendation(s)**

- 2.1 That delegated authority is given to the Chief Executive and Section 151 officer acting in consultation with the Chair of Policy, Projects & Resources Committee to seek tenders for works to Coptfold Road Multi Storey Car Park, to include the surface coatings, installation of sacrificial anodes as detailed in the recommendation of the Structural Engineer's report together with the fixed wire test remedial measures, lighting improvements and changes to signing and lining.**
- 2.2 That delegated authority is given to the Chief Executive and Section 151 officer acting in consultation with the Chair of Policy, Projects & Resources Committee to select and award the contract to the successful bidder.**

- 2.3 That authority is given to the implementation of a Life Care Plan, for the future maintenance and inspection of the MSCP.**
- 2.4 That the 3 bay parking units on decks 12, 13 & 14 be converted to 2 bays to enhance the usability of the parking bays for larger vehicles on those decks.**
- 2.5 That the additional suggested changes to the Parking Order be agreed as identified in section 5 of this report.**

### **3. Introduction and Background**

- 3.1 Members will be aware of the concrete patch repair works to the MSCP. Works commenced on 2nd November 2015 with an expected 10-week completion programme. Additional repair works were discovered during the project to the lower decks and soffits and all works were completed by 1st March 2016.
- 3.2 Works completed included repairs to the delaminated concrete cover to the reinforcement, provision of sacrificial anodes in small localised areas to reduce further corrosion, repairs to the drainage system and the painting of drainage pipes etc. and the provision of safety barriers for each deck throughout the structure.
- 3.3 Throughout the contract no incidents affecting safety of either the public or contractors staff were reported. Only one complaint was received by the contractor regarding noise and this was immediately resolved.
- 3.4 The Structure was designed in 1970 and completed about 1974. It was designed to provide car parking on seventeen levels. The building is divided into two sections with split levels and interconnecting ramps. It was last repaired in 2005 at the time of the previous structural survey. The recommendations made in 2005 were only essential works carried out at that time to the lower levels whilst levels 15, 16 & 17 were fully refurbished in preparation to the 150-year lease to Barratt Homes Ltd for the residents of Becket House.
- 3.5 This committee set a budget of £375,000 for this first stage of the works and with the additional unexpected repairs, the total cost for the works came to £197,000 including the Design Team fees, which were £23,900.
- 3.6 Members will be aware that the full refurbishment was to be carried out in two phases, the first being the completion of the concrete patch repairs,

safety improvements and drainage works, prior to the commencement of the phase two works being the water proofing to the decks and protective coatings to the concrete surfaces, lighting refurbishments and the signing and lining improvements.

- 3.7 Members will be aware that phase two of the project is the most expensive phase, not in terms of the type of work carried out but in terms of the volume of the works needed. The MSCP is a large structure with over 17 separate levels and it may need be necessary once the works have commenced for additional works to take place.
- 3.8 As part of the phase one works officers commissioned the structural engineers to undertake an intrusive survey into the structure to ascertain its current condition and its expected life span with or without the phase two works. This survey considers such aspects as in-situ measurements of the depth of concrete carbonation, laboratory testing of recovered samples for chloride ion concentration and half-cell potential to give an indication of the extent of the actual corrosion of the embedded reinforcement. A summary of this survey is shown in Appendix A.
- 3.9 Surveys of this type were carried out in 2005 and 2012 and read in conjunction with the results of this latest survey, provides a confident prediction to the life expectancy of the structure and the rate of deterioration of the concrete and reinforcement over that period.
- 3.10 To date refurbishment of the lifts, Fire Risk Assessments, fix wire tests and an Asbestos survey have all been completed.
- 3.11 Members will understand that the phase two repairs and protection measures will represent a significant commitment by the Council to the car park structure in financial terms. Members will be aware from the report to the 21st June 2016 Finance, Policy and Resources Committee that the Council commissioned JMP Consultants Ltd to undertake a formal in-depth review of all Off-Street parking facilities within the Borough which would be completed prior to any decision being made on the phase two refurbishment works to the MSCP by providing supporting evidence for the capital funding required.
- 3.12 This Strategic Parking Review covering the conurbations of the Brentwood Town Centre, Shenfield and Ingatestone was completed in January 2017 and reported to the Policy, Projects and Resources Committee in July 2017. The report identifies the concrete corrosion issue within the MSCP.

- 3.13 The Base Line report was the first stage of the Strategic Parking Review and reported on the findings associated with the background research undertaken, including the existing situation, car park audits, current demand, capacity and the stakeholder engagement process. This report provides a clear understanding of the current status of the Council's Off-Street Parking Provision.

#### **4. Issue, Options and Analysis of Options**

##### The Night Time Economy

- 4.1 It is clear from the information provided in the Base Line Report that the occupancy levels for each car park across the borough follows a similar demand profile with minimal use between the hours of 18:00 through to 08:00 the following day. This same profile is repeated for the Brentwood Council operated car parks and indicates significant available parking space in all car parks for use by the night time economy as they were at an approximate 50% occupancy.
- 4.2 In addition to the onsite research carried out by the consultants, both an online survey for residents and one for the commercial sector were commissioned. The results indicated that whilst residents had difficulty with parking provision adjacent to their property, utilising the public car parks was not an option. Only 2 out of the 43 respondents would consider the option the remaining 41 respondents considered the lack of security, the expense or for no reason would prevent them from making use of the car parks overnight.

##### The MSCP status

- 4.3 Members will be aware that the MSCP is currently an aging structure that requires essential maintenance to prolong its life. The essential maintenance considered in this report is common place in similar structures found throughout the country. The MSCP represents 42% of the Council's town centre capacity and its loss through closure or maintenance works would contribute to a significant loss to the economy in the borough and the Council. It therefore follows that without the availability of a suitable replacement on the horizon the essential maintenance works to prolong its useable life must take place to stem the rate of degradation of the structure to retain this facility.
- 4.4 It is recognised that the structure is ageing and substandard in comparison with current parking standards however, for long stay parking where individual vehicle movements are low, it offers a viable solution

until a suitable replacement facility can be built that will provide modern parking standards and additional capacity for well into the future.

- 4.5 The layout of the car park is essentially in the form of three bay units between the structural columns, there are 8 two bay units and 24 three bay units to each floor. Each three-bay unit is 7.3m in width equating to the 1970's parking standards of 2.4 x 5m parking bays whilst current standards are now 2.9 x 5.5m. Members are asked to consider a sub division of each three bays unit into two bays rather than the three providing two 3.65 x 5m parking bays which is in excess of the current standard in terms of width and will provide a significant improvement in terms of manoeuvrability and the obstruction caused due to the column locations. This would reduce the parking capacity from 88 to 64 per parking deck.

Table 1 – Current capacity of the car park and level of occupancy – 27.07.17

Level	2 Space Bays	3 Space Bays	Disabled Bays	Trolley Bays	Capacity	No of Parked Vehicles 27 <sup>th</sup> July 17
1	4	11	0	0	41	33
2	2	12	0	0	40	34
3	0	5	9	1	24	19
4	0	9	3	0	30	29
5	5	10	2	1	42	43
6	3	12	0	0	42	44
7	4	12	1	1	45	44
8	3	12	0	0	42	33
9	4	12	1	1	45	28
10	3	12	0	0	42	13
11	4	12	1	1	45	15
12	3	12	0	0	42	5
13	5	12	0	0	46	1
14	3	12	0	0	42	7
<b>Totals</b>	<b>43</b>	<b>155</b>	<b>17</b>		<b>568</b>	<b>348</b>

- 4.6 Table 1 shows the current capacity of the car park and the level of occupancy as at 27<sup>th</sup> July 2017. If all the three bay sections were to be reduced to two parking bays there would be a net capacity loss of 155 reducing the overall capacity to 413. If the two bay units were reduced to single parking bays then the capacity would further reduce to 370 which is still adequate to accommodate all the vehicles at the time of the survey without loss of income.

- 4.7 It was clear at the time of the survey that many larger vehicles had straddled the parking bay markings preventing vehicles using the adjacent space thus reducing the capacity of the car park by vehicle size.
- 4.8 Currently the Council has provided 220 parking spaces under licence and a further 221 parking spaces to season ticket holders (permits).
- 4.9 In considering the change of the three bays areas to 2 bays, Members need to understand the commitment the Council has to its license holders and these spaces need to remain guaranteed in the overall capacity of the car park.
- 4.10 In reducing all existing 3 bays units to 2 bays, there would not be enough space remaining to accommodate both license and permit holders. By reducing the 3 bay units within the license holder areas then 44 spaces would be available for the public should all permit holders be present however, it is recognised that not all permit holders are present at the same time and so assuming a 50% attendance, 154 spaces would be available for the public.
- 4.11 Therefore, whilst the reduction from 3 bays to 2 on any level will enhance the usability of the car park, it will not generate a greater income for the Council. Clearly if no changes are made then based on 50% occupancy of the permit holders, 238 spaces for the public would be retained and available for further lease or permit holders. In order to enhance the car park it is proposed to only consider converting the three bay units on decks 12, 13 & 14 and to encourage all existing permit holders to these decks where parking space within the individual bays will be significantly improved. Should this measure prove successful in the usage of these upper floors then to consider the remaining floors at a later date. It should be noted that the impact of these proposed works would not increase usage.
- 4.12 In addition, the MSCP represents 44% (2016/17, £587k) of the total parking income to the Council suggesting that its loss would not only damage the town's economy but also severely impact the financial income to the Council.
- 4.13 Therefore, a decision to implement phase two of the refurbishment works, and prolong the structure's life expectancy will enable the Council to have a significant timescale in which to redevelop the site and provide for a long-term solution with modern facilities including additional capacity long into the future.



- 4.14 Multi Storey car parks are essentially open sided buildings which carry heavy loads with the wheels of the vehicles directly on the concrete. In the winter, vehicles bring in salt and snow from the roads. salt laden water is highly corrosive and penetrates the concrete. As this penetration deepens, the reinforcing bars begin to corrode and expand, blowing the concrete cover off the bars. The corrosion is not seen as it is taking place within the body of the concrete. This spoiling can take 20 years, but once it's taken hold it will accelerate quickly and within a few years the structure can significantly deteriorate. The Structural Engineers' report clearly indicates that corrosion is actively occurring across a significant area of the top reinforcement to the car park decks and therefore corrosion of the embedded steel has been initiated.
- 4.15 The life span of the building is determined by the rate of corrosion of the embedded steel and therefore to extend the life of the structure it is imperative to reduce this rate of corrosion.
- 4.16 The Structural Engineers propose a repair regime to include the application of sealant coatings to the decks. The introduction of sacrificial anodes to areas currently at risk, with the lower decks nearer to the entrance being the priority and the application of anti-carbonation coatings to the soffits, columns and parapets.
- 4.17 The installation of the sacrificial anodes to the structure, which are designed to corrode instead of the embedded steel reinforcement, will have a design life of 20 to 25 years before replacement is required. The sealant coatings preventing further chloride penetration.
- 4.18 Members will need to be aware that if no action is taken, the currently active corrosion will become more extensive and will accelerate with time. indeed, the main report suggests that a regime of monthly inspections to detect falling masonry and emergency repairs would be required. If no active corrosion preventative measures are undertaken, it is likely that the structure could only remain operational for a further 5 years.
- 4.19 Costs in terms of such structures are best understood with the analogy of a bath cross section, costs very high with the build of the structure at the beginning, dropping to very low maintenance costs for many years and then starting to rise when repairs are needed and rising at significant speed if those repairs are not carried out. The phase one repairs and phase two protective coatings will prolong the life of the structure as indicated in the structural engineer's report. Without these protective coatings, further corrosion of the reinforcement will take place with the integrity of the concrete compromised through the ingress of chloride ions

which will accelerate the corrosion and the demise of the structure. Members may well be aware of similar car parks in Chelmsford, Colchester and Ipswich where catastrophic failures have resulted in these car parks being closed for major repairs (Chelmsford) or even demolition.

- 4.20 In the 2005 condition survey it was stated that the chloride levels varied from low to very high and were a major cause of the evident deterioration at that time. These chlorides are both found in de-icing salts following the vehicle trails through the car park and from Calcium Chloride which was used as an accelerator in concrete production but banned in 1977 and may have been used in the structure's construction.
- 4.21 Members will be aware that there is a lease on the 15th, 16th and 17th floors between the Council and Barratt Homes Ltd dated 13 September 2006 for a term of 150 years and it is therefore essential that repairs and preventative maintenance is carried out to prolong the life of the structure.
- 4.22 Members will also be aware that at the time of the drafting of the lease, concrete repairs, protective coatings and water proofing were completed to the 15th, 16th and 17th floors. No similar measures were carried out to the lower levels.
- 4.23 Income from the site during 2016/17 was £587,335 inclusive of parking charges and rentals and 2017/18 is expected to be higher as a result of the plans to actively market and sell more season tickets.
- 4.24 Members will see from the synopsis to the Structural Engineers' report appended to this report (Appendix A), that they have provided advice on the way forward to prolong the life of the car park.
- 4.25 'Do Nothing' is not an option to consider in this instance as to do nothing is to commence the start of the process to manage the closure of the car park. Other experience would suggest that the costs of remedial actions not taken now are likely to be fivefold if carried out at a later date. This option will require constant monitoring for falling masonry, making safe and urgent localised repairs with the loss of reputation arising from falling masonry, resulting in less use of the car park, falling income, and health and safety issues. The Health and Safety Executive could order the council to shut the facility, worst case scenario.
- 4.26 As with all buildings with electrical services, they are required to have an electrical condition report carried out every 5 years. For the MSCP this was completed on 9th March 2016 as unsatisfactory.

- 4.27 The report highlights corroded conduits, lighting units inoperable, sign lighting missing, emergency lighting not compliant and earth loop impedance exceeded. It is intended that a full refurbishment of the lighting and circuits etc. will be carried out as part of the phase 2 works. In addition to the electrical works, replacement of the existing CCTV cameras will be carried out as well as improvements to their coverage.
- 4.28 Whilst new surface treatments will be provided to each deck, these will include new bay markings with contrasting colours for the parking bays and the circulation routes along with directional signing for each deck.
- 4.29 The colour scheme will be blue for the parking bays, grey for the circulatory areas and stone white for the concrete surfaces for the soffits and parapets. The columns will be a different colour for each level providing easy identification of each level.
- 4.30 Whilst these coatings will provide significant protection to the concrete surfaces, redecoration will still be required from time to time as indicated in the Appendix.
- 4.31 In addition to these works which will significantly prolong the life of the car park, it is essential that a 'Life Care Plan' is put in place for the structure moving forward. The main purpose of a life care plan is to identify the structural condition, the current level of safety, and how to maintain the car park throughout its service life.
- 4.32 The components of a Life Care Plan are:
- Description of car park with age, photographs, as built information, etc.
  - Record of previous investigations, repairs, accidental damage, winter maintenance, etc.
  - records of daily surveillance and routine inspections
  - Condition survey and material testing
  - Structural appraisal (by Chartered Structural Engineer)
  - Priced repair/maintenance options
  - recommendations for future action
  - records of work undertaken and costs involved
- 4.33 It is intended that a life care plan will be set up for the remaining life of the car park following the completion of the phase two works.

- 4.34 Appendix B, a report provided by the Daniel Connal Partnership, indicates the cost estimates of the works to the whole structure and are estimated at £2.4m including the design team fees of £107,000. This is a considerable sum and Members may wish to consider the phase 2 refurbishment in terms of the remaining life expectancy of the structure and the possibilities of the sites future redevelopment. If Members see the site being redeveloped within a 15-year time period then only targeted introduction of the sacrificial anodes to those decks at greatest risk of corrosion would be appropriate, this would provide a reduction in the phase 2 costs from £2.4m to nearer £2m assuming 50% reduction in the installation area. The concern here would be the future condition of the structure at the end of the term as corrosion in the untreated areas would have accelerated leading to further significant costs for these untreated areas. However, by treating the most corroded areas as a priority, the Council will have essential time to consider the provision of a replacement parking facility.
- 4.35 The contract is expected to take 6 months to complete and the intention is for commencement in the spring of 2018.
- 4.36 Whilst the works are being carried out it is intended to keep the car park as operational as is physically possible. However, it is expected that where the works affect the ramps, some overnight closures will be necessary to allow sufficient time for the surface coatings to cure and be ready for live traffic.
- 4.37 The estimated costs of the project are set out in Appendix 2 and some costs savings could be considered by not including the safety improvements to the ramps, and stair wells. Some of the drainage works will be avoided with the provision of the sealant coatings to the decks to overcome any existing 'ponding' issues from the past.
- 4.38 Members will see that the main costs relate to corrosion prevention, surface coatings and lighting and electrical repairs.

## **5. Recommended Changes to the Parking Order**

In addition to proposals taken to the Policy, Projects and Resources Committee in July, the following additions and updates are required:

- 5.1 Add the Depot car park to the Parking Order (see Appendix C).
- Car park to be called The Depot car park
  - Permit holders only 6am to 5pm Monday to Friday.

- Free parking at other times.
- 5.2 It is recommended that the parking area between Mayflower House (Appendix D) and Gibraltar House (Appendix D) is added to the Parking Order. This will allow the Council to enforce against vehicles parked illegally in this area which has become a problem over the last year with the introduction of permit holder only parking at the sites.
- 5.3 Add Eagle Way car to the Parking Order (see Appendix E).
- Car park to be called Eagle Way car park
  - Permit holders only at all times
- 5.4 The lease with Ford Motor company expires on 31<sup>st</sup> October 2017, however, a new lease for part of the car park has been agreed with effect from 9<sup>th</sup> October 2017. The remainder of the car park will form a new car park. Council staff based at the depot and mainly The Regus office facility will use this car park and the remaining spaces will be available to sell to season ticket holders. An active marketing campaign will be developed to assist with the delivery of this.
- 5.5 Add the 7 parking spaces behind the Wildwood Café, to the east side of William Hunter Way, to the Parking order. These spaces can then be leased to local shop workers on a timed and controlled basis. Although this area has operated as a car park for many years it has never been added to the parking order. By adding this area to the parking order the Council will be able to enforce the parking and to reduce the inappropriate use of the facilities.
- The car park will be called William Hunter Way East
  - Permit holders only at all times
- 5.6 Amend the restrictions at Nightingale Centre from 4 hours no return for 4 hours to 3 hrs no return for 4 hrs. The purpose of this minor change is to improve the Councils ability to enforce the parking and to reduce the inappropriate use of the facilities. Local workers are regularly moving their cars from the car park to another location to avoid the restrictions
- 5.7 Re introduce charging at Hunter and Friars Avenue car parks. This will be introduced when Crossrail has finished using the car park sites.
- Retain both car parks into short stay car parks
  - 3 hours no return for 4 hours Monday to Saturday 6am to 7pm
  - Parking charges

- 30 mins Free
- 1 hr £1.00
- 2 hrs £2.00 – with res permit £ 1.40
- 3 hrs £3.00
- 7pm to 6am Monday to Saturday £2.00
- Sunday – 6am to 7pm £1.00

## **6 Reasons for Recommendation**

- 6.1 To complete the final phase of the refurbishment programme in the light of the condition report predicting significant additional life to the MSCP structure following the completion of the works.
- 6.2 With the completion of the works the current internal ambience will be much improved and likely to attract additional users thus increasing revenue.
- 6.3 Consistent with the life care plan set out by the Institute of Structural Engineers.
- 6.4 The various parking order updates are pertinent to the current business and encompass recent changes and adjustments. The changes will also facilitate appropriate enforcement across the parking order schedule and expand the income generation potential.

## **7 Consultation**

- 7.1 No formal consultation has been undertaken.

## **8 References to Corporate Plan**

- 8.1 Value for Money, policies that invest in key services to create opportunity for all, provide better value for Brentwood taxpayers and enhance the Borough's infrastructure whilst modernising and transforming Brentwood Borough Council.
- 8.2 Economic Development - Consider how Council assets can be utilised to promote sustainable development in the Borough.
- 8.3 The Council is committed to make Brentwood a Borough where people feel safe, healthy and supported.

## **9 Implications**

### **Financial Implications**

**Name & Title:** John Chance, Finance Director

**Tel & Email:** 01277 312542 / john.chance@brentwood.gov.uk

- 9.1 In order to safeguard the Council's parking income for the MSCP, which is approximately £600k net per annum, this building work is essential. With a cost estimate of around £2m there is a 3 year 4 month pay-back period, whereas the life of the MSCP is expected to be extended by around 10 years following the completion of the repairs.
- 9.2 There is adequate provision within the Capital Receipts Reserve to fund this project fully from existing resources. The effect this will have on the longer-term capital programme in considering new bids, will be reported to this committee in November.

### **Legal Implications**

**Name & Title:** Daniel Toohey, Monitoring Officer

**Tel & Email:** 01277 312860 /daniel.toohey@brentwood.gov.uk

- 9.3 When commissioning contracts referred to in this report, the Council will need to comply with its Contract Standing Orders as set out in the Council's Constitution, as well as relevant procurement legislation including EU regulatory requirements. Legal Services is on hand to advise and assist during this process.

**Other Implications** (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

- 10 Background Papers** (include their location and identify whether any are exempt or protected by copyright)

No Background papers to this report. The various appendices provide the relevant background.

## **11 Appendices to this report**

- Appendix A - Synopsis to the 2016 intrusive survey report undertaken by MLM Structural Engineers. the full report can be made available to Members on request.
- Appendix B - Cost estimate prepared by Daniel Connal Partnership
- Appendix C – The Depot Car Park map
- Appendix D – Mayflower House, Gibraltar House maps

- Appendix E – Eagle Way Car Park map

**Report Author Contact Details:**

**Name:** Adrian J Tidbury -Estates and Valuation Surveyor Portfolio  
Development  
**Telephone:** 01277 312678  
**E-mail:** [adrian.tidbury@brentwood.gov.uk](mailto:adrian.tidbury@brentwood.gov.uk)



**Job Title:** Coptfold Carpark, Brentwood

**Job Reference:** MCL/666585/JRB

**Date:** 3 March 2017

### **Intrusive Testing Results Synopsis**

Intrusive testing has been carried out to the car park in February 2016 and previously in 2005 and 2012. These results allow for the current state of the car park to be assessed and give an indication of the deterioration of the concrete and reinforcement over the medium term. The testing has comprised the in-situ measurement of the depth of concrete carbonation, laboratory testing of recovered samples for chloride ion concentration and most recently the measurements of half-cell potential to give an indication of the extent of the actual corrosion of the embedded reinforcement.

Over the last 10 year period an increase in the levels of chlorides can be seen with the maximum recorded levels of chlorides within the concrete being 1.4% in 2005 rising to 2.36% in 2012 and 3.3% in 2016. Over the same period the depth of carbonation has remained more static and an increasing trend is not so evident. The half-cell potential results obtained within the 2016 testing show readings up to -530mV. These show that corrosion is actively occurring across a significant area of the top reinforcement to the carpark decks. The test results together with the observed deterioration show that the conditions of the concrete structure are such that corrosion of the embedded steel has been initiated in large areas of the car park.

The life span of the building is determined by the corrosion rate of the embedded steel, therefore it is crucial that the planning of refurbishment and repair works considers the effect of the proposed works on the corrosion rates of the embedded reinforcement. The aim of the repair and maintenance is, if possible, to prevent the occurrence of conditions where corrosion of the embedded reinforcement can commence, and where corrosion has commenced minimise the rate of corrosion and if, possible, create conditions where corrosion can be stopped. The reduction of the corrosion rate due to any proposed works should therefore be considered in determining the cost effectiveness of such works.

Various repair techniques are available for deteriorating concrete structures but in this case five primary methods are suitable;

- 1 The addition of painted sealant coatings (paints) to the top surface of the deck to resist future chloride ingress into the concrete deck.
- 2 The application of migrating corrosion inhibitors to assist the reinforcement in resisting corrosion.
- 3 The installation of an anodic protective system (sacrificial anodes constructed from zinc) to the top level of reinforcement.
- 4 The application of a painted anti-carbonation treatment to the slab soffits, columns and parapet upstand.
- 5 Impressed current cathodic protection to the entire concrete structure to suppress corrosion rates.

The report by CRL has suggested four repair options;

Option 1 – Do nothing. The reinforcement will continue to corrode and will accelerate with repair works needed on an annual basis and a future serviceable life of say 5 years.

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**Job Title:** Coptfold Carpark, Brentwood

**Job Reference:** MCL/666585/JRB

**Date:** 3 March 2017

Option 2 – Patch repairs and coatings. If repairs are undertaken to current areas of defects and then protective coatings are applied, a life to first maintenance may be achieved of between 5 to 10 years. Future maintenance can be expected to be extensive.

Option 3 – Patch repair coatings with corrosion inhibitors and/or sacrificial anodes. The additional works provide methods to slow the rate of corrosion. A life to first maintenance of 10 to 15 years may be achieved (although with maintenance to the surface coatings within a 5 to 10 year period).

Option 4 – Patch repairs with cathodic protection. If an impressed current cathodic protection system was applied, the rate of corrosion would be reduced further. A life to first maintenance of the concrete may exceed 15 years (although with maintenance to the surface coatings within a 5 to 10 year period).

Where corrosion of the embedded steel has been initiated, only the installation of sacrificial anodes or cathodic protection from the methods listed above can achieve the prevention of corrosion. Corrosion inhibitors and coatings could be utilized to slow the rates of corrosion, but will not prevent corrosion.

If no action is taken the currently active corrosion will become more extensive and will accelerate with time. This will rapidly result in structural weakening of the decks and will soon affect the safety of the car park. A future serviceable life of say 5 years could be considered.

The coatings of the structure will help prevent the extent of corrosion progressing so rapidly although some corrosion will continue at the current rates.

The addition of sacrificial anodes to the structure in areas currently at risk of corrosion will stop corrosion from occurring and if correctly designed will have a design life of 20 to 25 years with a life first maintenance of about 15 years. Surface coatings will require maintenance within about 5 to 10 years.

The application of a full impressed current cathodic protection is beyond the scope of the available budgets for the repair works, and therefore has not been further considered.

Previously we recommended that the implementation of a repair regime broadly as Option 3 of the CRL Report. Since this recommendation we have been advised with regard to the available budget and understand the desired projected life span of the structure at this stage is about 10 years. Following this advice and further discussion with Daniel Connal Partnership regarding the budget costs of the proposed works we recommend a reduced scope of repairs with the specification of the scheme reduced to suit the available budget and the future serviceable life of the structure of only 10 years.

To suit the budget we recommend that the repair regime is to include;

- Patch repairs to damaged areas of the structure.
- The application of a migrating corrosion inhibitor to the top of the decks
- The application of sealant coatings to the decks.
- The targeted introduction of sacrificial anodes to areas currently at greatest risk of corrosion, with the lower decks nearer to the entrance being the priority and the extent tailored to the budget.

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**Job Title:** Coptfold Carpark, Brentwood

**Job Reference:** MCL/666585/JRB

**Date:** 3 March 2017

To suit the available budget the installation of the sacrificial anodes will be very limited. Detailed assessment of the areas where the installation the anodes is most required and will have greatest affect will need to be carried out during the design phase to ensure the limited installation is carried out effectively.

Based on our understanding of the current condition and rate of deterioration of the concrete structure, we expect that if the recommended repairs are undertaken, the serviceable life of the car park will be usefully extended and a target life of 10 years can be expected to be achievable.

Future maintenance to the deck surface coatings will be required during the remaining life of the car park and repairs are likely to be first required after about 5 years, together with some patch repairs to the deck surface below. More extensive repairs are likely to be required within the 5-10 year period to the more severely chloride contaminated areas of the structure.

The future serviceable life beyond a 10 year period is uncertain at this stage but can be assessed on say a 5 yearly basis when the effectiveness of the repairs and preventative works can be determined.

We therefore suggest that following this scheme of repair works, visual inspections are carried out on an annual basis to review the serviceable condition of the concrete with a comprehensive engineering review carried out at year 5 and again at year 10.

RW:666585-REP-SBU-TestingResultsSynopsis-20170303

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## **CONSTRUCTION COST ESTIMATE**

### **REFURBISHMENT OF MULTI-STOREY CAR PARK**

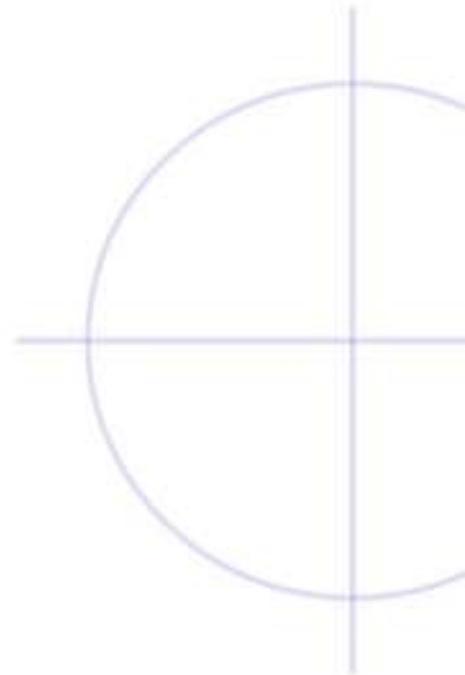
**COPTFOLD ROAD, BRENTWOOD CM14 4BN**



[danielconnal.co.uk](http://danielconnal.co.uk)

## **CONTENTS**

- 1. PROJECT DETAILS**
- 2. APPROXIMATE ESTIMATE OF CONSTRUCTION COSTS**
- 3. NOTES AND EXCLUSIONS**



**JUNE 2016**

## 1. PROJECT DETAILS

### 1.1 Project Title and Location

Proposed refurbishment of multi-storey car park (Phase 2) at Coptfold Road, Brentwood

### 1.2 Parties/Consultants

Client:	Brentwood Borough Council, Town Hall, Ingrave Road Brentwood Essex CM15 8AY
Building Surveyor & Contract Administrator:	Daniel Connal Partnership 780 The Crescent Colchester Business Park Colchester Essex CO4 9YQ
Structural Engineer:	MLM North Kiln, Felaw Maltings 46 Felaw Street Ipswich Suffolk IP2 8PN
M&E Services Engineer:	Williams Holloway Associates 9 Wren Close, Stanway Colchester Essex. CO3 8ZB

### 1.3 Information

The Estimate has been based on the following information:-

1. Budget figures from CRL for concrete repairs
2. Budget figures from Oakray for electrical repairs based upon their electrical testing on-site
3. Phase 1 works carried out Winter/Spring 2015/2016
4. Anticipated tender levels at 1Q2017.
5. Works commencing onsite during 1 Q2017 and taking approximately 6 months, requiring some closure of the car park

## 2. APPROXIMATE ESTIMATE OF PROJECT COSTS

<b>Consultants Fees</b>		
Daniel Connal Partnership	33,000	quotation
MLM	59,000	quotation 26/06/2016
Williams Holloway Associates	15,000	quotation 20/04/2016
	<b>£107,000</b>	
<b>Construction Works</b>		
Safety improvements to ramps	20,000	as advised by MLM
Stair handrail	42,000	based on CRL quotation
Stairwell glazing	excluded	works outside client demise
Sacrificial anodes	350,000	ramps £100k, decks (50%) £250k
Concrete surface treatment	844,000	as CRL budget (adjusted)
Columns & soffit surface treatment	included 2.5	
Lighting	350,000	allowance
Electrical repairs	30,000	based on Oakray quotation
Drainage	50,000	allowance
Preliminaries	270,000	16%
Contractors OH&P	196,000	10%
Contingency	215,000	10%
	<b>£2,367,000</b>	
<b>Total Project Costs</b>		
Consultants Fees	107,000	
Construction Works	2,367,000	
	<b>£2,474,000</b>	+ VAT



### **3. NOTES AND EXCLUSIONS**

#### **3.1 Notes**

- 3.1.1 The estimate is based upon a full design being carried out and works being tendered in competition to suitable contractors on a fixed-price basis.
- 3.1.2 The estimate is based upon current estimated tender levels at 1Q2017 based on BCIS All-In tender price indices.

#### **3.2 Exclusions**

No allowances have been made for the following:

- 3.2.1 Works to staircases, offices & other common areas (except stair handrail works)
- 3.2.2 Works to fire alarm or other such systems
- 3.2.3 Structural works to the car park
- 3.2.4 Any works to the external of the building
- 3.2.5 Works to the top 2 decks
- 3.2.6 Stairwell glazing (as discussed, this falls outside the client's demise)



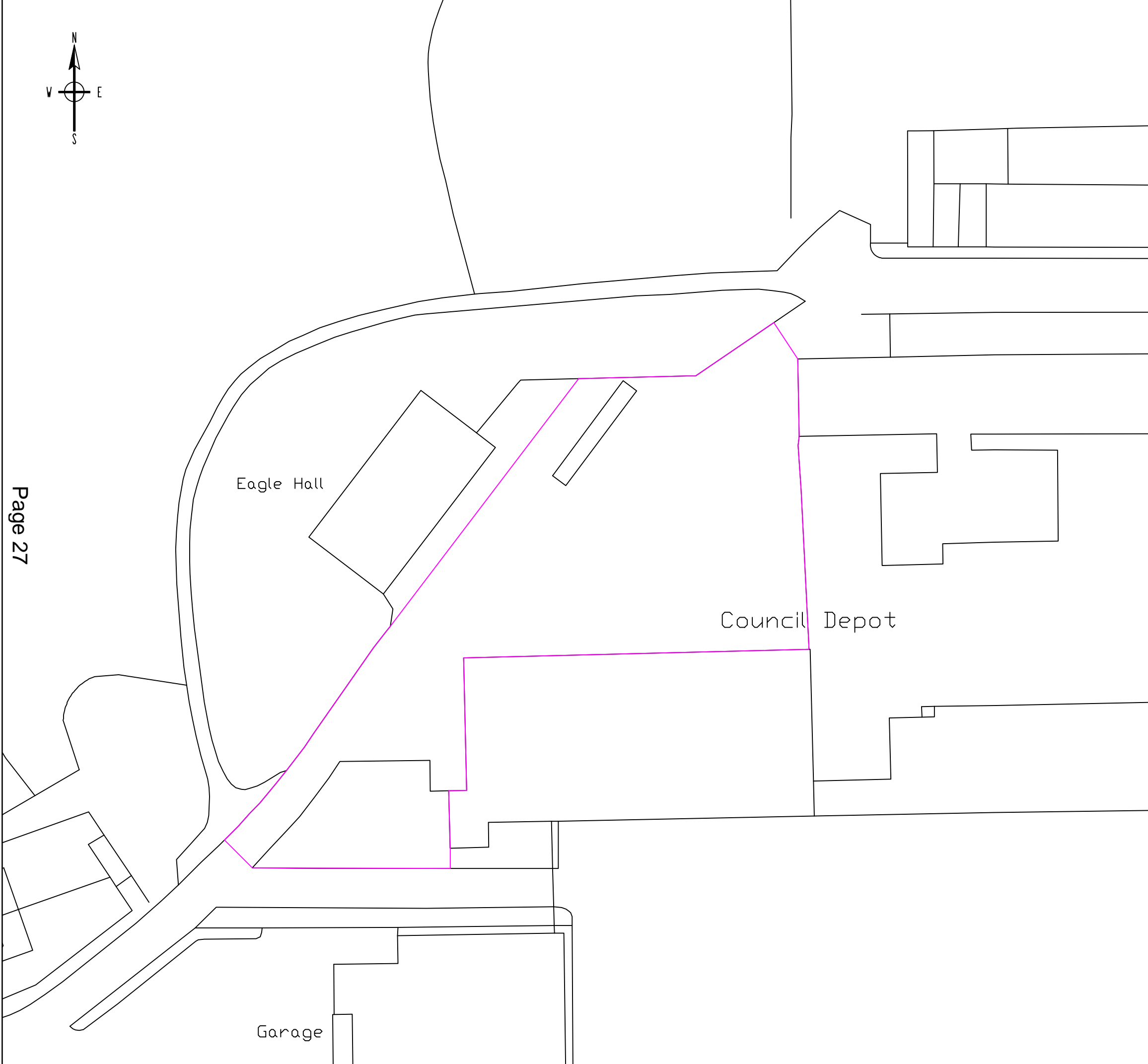
**Paul Coleman BSc MCIQB MRICS**

**Associate**

**For DANIEL CONNAL PARTNERSHIP**

**3<sup>rd</sup> June 2016**

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NOTES

Asset Management  
Adrian J Tidbury  
Estates and Valuation Surveyor

Contract	Title

Title
Title

Drawn By	AJT
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Scale	1:500 @ A3
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Date	Date
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Checked
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Revisions		
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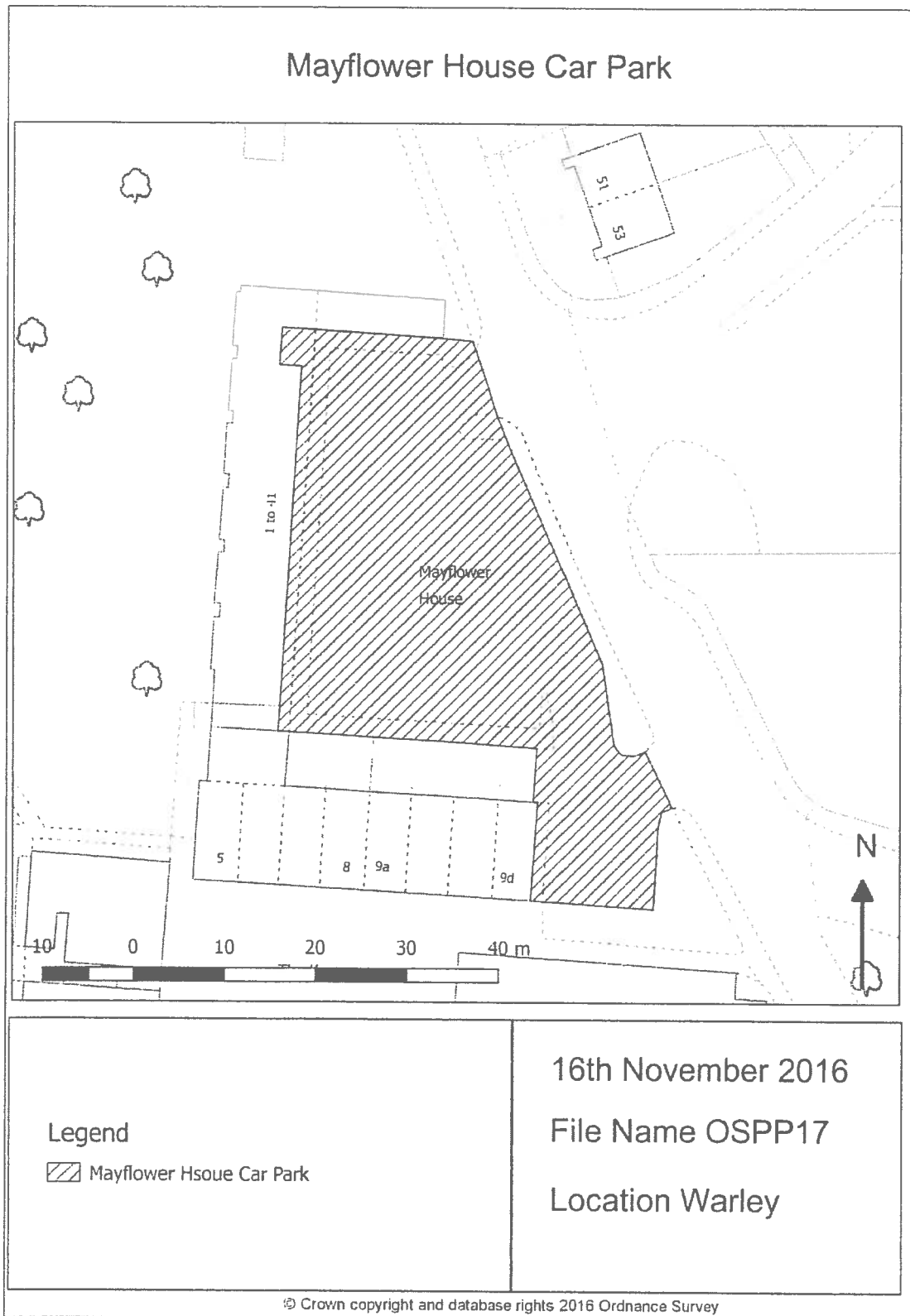
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Town Hall  
Ingrave Road  
Brentwood  
Essex  
CM15 8AY  
Tel: 01277 312500

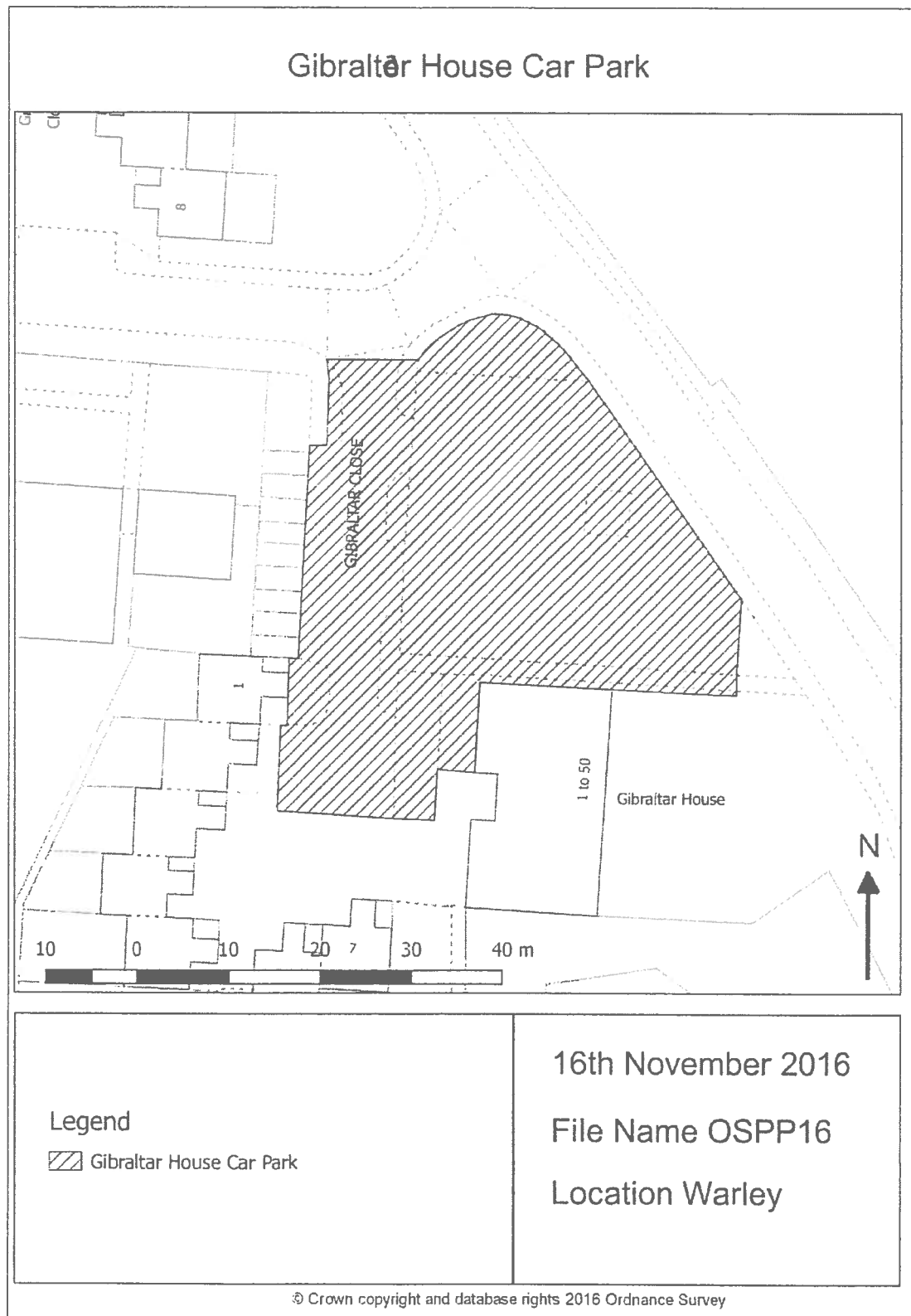
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**Schedule 3**  
**Parking Place Plans**




**Schedule 3**  
**Parking Place Plans**



# Eagle Way Car Park



## Legend

 Car Park

6th September 2017

File Name: OSPP21

Location: Warley

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**19 September 2017**

## **Policy, Projects & Resources Committee**

### **Less Than Best Consideration Policy Amendment**

**Report of:** *John Chance – Finance Director (Section 151 Officer)*

**Wards Affected:** *All wards*

**This report is:** *Public*

#### **1. Executive Summary**

- 1.1 This report considers an amendment to the Less Than Best Consideration Policy, agreed at Committee on 27 March 2015, to make the requirement to keep a lease outside the Landlord and Tenant Act 1954 discretionary.

#### **2. Recommendation**

- 2.1 **That point 4.8 of Appendix B of the Less Than Best Consideration Policy is amended to give delegated Authority to the Chief Executive or Section 151 Officer in conjunction with the head of Legal Services to determine whether a new lease granted under this mentioned policy is inside or outside the Landlord and Tenant Act 1954. See details in Appendix A.**

#### **3. Introduction and Background**

- 3.1 The Asset Management Strategy 2014/15 was approved by the Asset & Enterprise Committee on the 15 July 2014. Following on from the adoption of this strategy a less than best consideration policy was approved at Committee in March 2015. This was to ensure compliance with statutory requirements to achieve best value and also to ensure transparency and fairness in dealing with community groups See Appendix A for the details of the Less than Best Consideration Policy. Please note clause 4.8 of Appendix C.

#### **4. Issue, Options and Analysis of Options**

- 4.1 At its meeting on 27<sup>th</sup> March 2015 the Councils Asset and Enterprise Committee adopted a 'Disposals at Less than Best Consideration' policy.

- 4.2 This is a disposal at less than best consideration and in order to comply with Council policy and sections 123(1) and (2) of the Local Government Act 1972 it is necessary to undertake an assessment of the extent to which the organisations activities contribute towards achieving the Council's aims and objectives. In undertaking the assessment it is also necessary to:
- Include a copy of the organisation's constitution and three years of accounts.
  - Set out the extent to which the organisation is proactive in seeking to share and make available the assets to other community and voluntary sector uses on a not for profit basis
  - Confirmation that the organisation will submit its activities and accounts on an annual basis or when required by the Council.
- 4.3 There is a requirement to incorporate discretion in determining if a lease within these criteria is inside or outside the Landlord and Tenant Act 1954 to ensure flexibility in dealing with a wide variety of cases.
- 4.4 The original policy can be found at Appendix A with Appendix B the acquisitions policy and Appendix C the disposals policy.
- 4.5 The suggested new wording of clause 4.8 (Appendix B, which is referred to as Appendix 'C' in the original report) is:

**All leases will include provisions to exclude any security of tenure rights at the discretion of the Chief Executive or the Section 151 Officer.**

## **5. Reasons for Recommendation**

- 5.1 To allow flexibility in dealing with Less Than Best Consideration leases.

## **6. Consultation**

- 6.1 No formal consultation has been undertaken.

## **7. References to Corporate Plan**

- 7.1 Value for Money: policies that invest in key services to create opportunity for all, provide better value for Brentwood's taxpayers and enhance the Borough's infrastructure whilst modernising and transforming Brentwood

Borough Council. We will re-prioritise and focus our resources and be innovative in our approach.

- 7.2 Our Borough: Policies which promote our environment, support sustainable growth, and safeguard our high quality environment including heritage and countryside. We will provide responsive, accessible and forward thinking services for vulnerable residents, supporting people back into work and providing good quality housing making Brentwood our residents' Borough of Choice.

## **8. Implications**

### **Financial Implications**

**Name & Title: John Chance, Finance Director**

**Tel & Email: 01277 312542/john.chance@brentwood.gov.uk**

- 8.1 Where a lease is granted inside the Landlord and Tenant Act 1954 the Council will only be able to take back a property under certain instances, the most common of which are for the Council's own use or for redevelopment.
- 8.2 If the lease is taken back at the end of the term, compensation is payable (one or two times the Rateable Value) to the tenant if the lease is inside the Landlord and Tenant.
- 8.3 If a lease is outside the Landlord and Tenant Act 1954 the tenant does not have any automatic renewal rights and a property can be taken back without specific grounds needing to be proved or compensation being paid.

### **Legal Implications**

**Name & Title: Daniel Toohey, Monitoring Officer**

**Tel & Email: 01277 312860/daniel.toohey@brentwood.gov.uk**

Legal implications regarding relevant legislation are contained within the body of this report. Legal Services are available to provide ongoing advice and assistance to officers regarding the application of the law to fact-specific matters as they arise.

**Other Implications** (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

None

**9. Background Papers**

9.1 See Appendix A

**10. Appendices to this report**

Appendix A - Less than best consideration Policy. Including Appendix C point 4.8.

**Report Author Contact Details:**

**Name:** John Chance, Finance Director (Section 151 Officer)

**Tel:** 01277 312542

**E-mail:** john.chance@brentwood.gov.uk

**27 March 2015**

## **Asset & Enterprise Committee**

### **Asset Acquisition, General Disposal and Disposals at less than Best Consideration Policies**

**Report of:** *John R Parling, Strategic Asset Manager*

**Wards Affected:** *None*

**This report is:** *Public*

#### **1. Executive Summary**

- 1.1 The Asset Management Strategy 2014/15 was approved by the Asset & Enterprise Committee on the 15 July 2014. Following on from the adoption of this strategy it is necessary that suitable and appropriate policies are adopted to ensure compliance with statutory requirements to achieve best value and also to ensure transparency and fairness in dealing with community groups
- 1.2 The Policies outline the process and procedures that should be followed when acquiring and disposing of assets including disposals to community groups. A separate report has been prepared relating to the acquisition of revenue entrepreneurial assets.

#### **2. Recommendation(s)**

- 2.1 That the policies, relating to the Acquisition, General Disposals and Disposals at less than Best Consideration attached are approved.**

#### **3. Introduction and Background**

- 3.1 The key actions for 2014/15 set out in the Asset Management Strategy were:

- Asset Challenge Review
  - Delivery of Major Projects
  - Develop Housing for Social and Private Tenants
  - Maximise Revenue and Capital Receipts
- 3.2 To achieve these actions policies need to be in place to ensure compliance with statutory codes and ensure fairness and transparency particularly in dealing with local community and voluntary groups.
- 3.3 The Policy relating to Acquisitions sets out the following process and procedures:
- Business case to be prepared to support an acquisition.
  - The Strategic Asset Manager will lead the search for a suitable asset.
  - A short list will be prepared and a financial analysis prepared and target acquisition identified.
  - The Strategic Asset Manager will lead negotiations to agree the terms to acquire the target acquisition.
  - The Strategic Asset Manager will obtain any approvals required to acquire including where necessary Asset & Enterprise, Finance & Resource Committees and Council approvals.
- 3.4 The Policy relating to General Disposals sets out following:
- A disposal is the transfer of the freehold or leasehold interest of land to a third party.
  - Before a property is declared surplus consideration should be given to its suitability for other Council uses.
  - The Strategic Asset Manager will determine the best method of disposal and marketing strategy.
  - The Strategic Asset Manager will obtain any approvals required to dispose including where necessary Asset & Enterprise, Finance & Resource Committees and Council approvals.
- 3.5 The Policy relating to Disposals at less than best Consideration sets out the following:
- Section 123 of the Local Government Act 1972 states that Council's, except with the express consent of the Secretary of State, and cannot dispose of land (other than by way of a short tenancy) for less than best consideration.

- Selling land at under value confers a benefit and may breach State Aid rules.
- The General Disposal Consent (England) 2003 enables Local Authorities to dispose of land at less than best consideration if its disposal is likely to contribute to the promotion or improvement of the economic, social or environmental well being of its area. Any shortfall is required to be identified.
- Generally, freeholds will not be sold, short leasehold interest, of 7 years or less will be granted which are excluded from security of tenure. The leases will require the tenant to repair and insure the property, annual rent reviews based upon RPI and annual mutual breaks.
- Any organisation will be required to provide details of its constitution, audited accounts and details of its membership including minutes of its AGM and any extraordinary meetings prior to any letting or renewal and when required by the Council.
- The open market rental value of the property is to be determined and if it is decided by Council to grant a discount or assistance the value of this is to be met as a grant rather than a reduction in the rent. The aggregate of the grants should be recorded on a register by the s151 Officer.
- In the event that an organisation requires a longer lease than that is standard because a funding organisation requires it then in the event that the project is supported by the Council then a longer term may be granted subject to the term being based upon the minimum required by the funder, that the funds have been awarded, and that the extended lease term provides for the rent payable to be regularly reviewed.

#### **4 Issue, Options and Analysis of Options**

- 4.1 The Asset Management Strategy 2014/15 outlines a change in the way that the Council's assets are managed. It puts forward a comprehensive and coordinated structure and implementation solutions to ensure that the Council's asset portfolio is efficiently and effectively managed to ensure best use and to maximise revenue and capital receipts.
- 4.2 The Policies provide guidance and a process to deliver the Strategy's objectives in a consistent and transparent manner.

#### **4. Reasons for Recommendation**

- 5.1 Members need to ensure that best practice and transparency are maintained.

## **5. Consultation**

6.1 None at this stage

## **6. References to Corporate Plan**

7.1 Corporate Plan 2013 –16, specifically:

- a) A Prosperous Borough
- b) Set planning policy that supports discerning economic growth and sustainable development
- c) Promote a mixed economic base across the Borough, maximising opportunities in the town centres for retail and balanced night time economy

## **7. Implications**

### **Financial Implications**

**Name & Title:** Christopher Leslie, Finance Officer (S151 Officer)

**Tel & Email:** 01277 312542/christopher.leslie@brentwood.gov.uk

8.1 There are no direct financial implications at this stage, although future reports on individual transactions/recommendations will detail relevant implications.

### **Legal Implications**

**Name & Title:** Philip Cunliffe-Jones, Solicitor

**Tel & Email:** 01277 312703 /philip.cunliffe-jones@brentwood.gov.uk

8.2 There are no direct legal implications at this stage. The power in Section 123 Local Government Act 1972 to dispose of land is complemented Section 233 Town and Country Planning Act 1990 enabling the disposal of land for development.

**Other Implications** (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

8.3 None



## **8. Background Papers**

9.1 None

## **10. Appendices to this Report**

Appendix A – Acquisition Policy

Appendix B – General Disposal Policy

Appendix C – Disposals at less than best Consideration Policy

### **Report Author Contact Details:**

**Name:** John R Parling, Strategic Asset Manager

**Telephone:** 01277 312690

**E-mail:** john.parling@brentwood.gov.uk

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## Acquisition Policy

### 1. Introduction

- 1.1 This document sets out the process for dealing with the acquisition of land & property assets and identifies the roles and responsibilities in the decision making process of acquiring an asset. This will ensure a coordinated approach is adopted with a view to maximising value both in terms of finance and in meeting the Council's aims and objectives.

### 2. Definitions

- 2.1 An acquisition is defined as the transfer of the freehold or long leasehold interest of a property from a third party.

### 3. Procedure

- 3.1 Once a need for a property asset is identified the following procedure should be followed.
- 3.2 The Head of Service will prepare a statement setting out the business case justifying the need for the acquisition. The business case will have regard to the Council's statutory or discretionary powers to provide services and its corporate aims and objectives. The business case should be supported by the relevant Chair.
- 3.3 In normal circumstances the Council should only consider acquiring land or property if it:
- (a) contributes toward the provision of a Council service and has been identified as a priority need within the service's Business Plan and the Council's Corporate Asset Plan;
  - (b) is required for strategic purposes; or
  - (c) provides a sound investment with a potential future return.

### 4. Process

- (a) If a need for property has been identified, the Strategic Asset Manager will undertake investigations as to whether suitable land or property is already held by the Council.
- (b) If no suitable property is identified, the Strategic Asset Manager will undertake a search to establish whether a suitable property might be available in the market.

- (c) A schedule of suitable properties should be prepared. The schedule, where possible, should indicate; price, location, condition, availability, type, tenure, suitability etc.
- (d) After consultation with the Head of Service a short list of suitable properties should be identified. The Head of Service and the Strategic Asset Manager should undertake an options appraisal to establish the budgetary implications of acquiring the property in terms of initial capital costs and future revenue costs based on a Whole Life costings methodology. Implications for the current Corporate estate should also be reviewed. Consideration should be given to:
- Any costs in acquiring the property
  - Any revenue costs
  - Availability of funding sources
  - The cost in terms of capital and revenue of holding the property, including:
    - Immediate refurbishment/maintenance costs
    - Future maintenance/life cycle costs
    - Business rates
    - Insurance
    - Operating costs
    - ICT costs
    - Equipment/fittings/fixtures
    - Indirect costs (releasing existing properties – dilapidations, disposal costs etc)
  - Where surveys are not obtained prior to preparing the appraisal this should be noted within the appraisal and estimated costs indicated
  - The effect on existing budgets and the Council's Medium Term Financial Plan should be established and appropriate adjustments made.
- (e) The financial appraisal should be submitted to the Chair of Asset & Enterprise, the Chair of the Service concerned and the Council's s151 Officer to obtain approval for the Strategic Asset Manager to undertake negotiations for the acquisition of the preferred property. All negotiations should be "subject to contract".

- (f) All negotiations should be carried out on the most advantageous terms to the Council that can be reasonably obtained consistent with fairness to all interested parties subject to any relevant statutory provisions and appropriate regulations. Consideration should be given to what surveys are required and when they should be undertaken. In any event, all required surveys should be undertaken prior to exchange of contracts. If the surveys identify capital or revenue expenditure costs in excess of the estimates built into the original appraisal a further report should be presented to the relevant Chairs and s151 Officer for approval before proceeding with an acquisition.
- (g) On reaching agreement as to the terms of acquisition the Strategic Asset Manager will exercise, where permitted their delegated power to “acquire land or interest in land by agreement under any enactment in consultation with the s151 Officer” in accordance with the Council’s Standing Orders.
- (h) Once appropriate authority, i.e. where appropriate Asset & Enterprise, Finance & Resource Committees and Council, has been obtained for the acquisition Legal shall be instructed to complete the matter.
- (i) All acquisitions will be conducted in accordance with the Council’s financial standing Orders and the Scheme of Delegations and in particular those relating to the disposal or acquisition of land and buildings.
- (j) On exchange of contracts the Insurers should be advised and provided with the property’s reinstatement value.
- (h) On completion of the acquisition, details should be added to the Corporate Property Asset Database.

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### **Disposals at Less Than Best Consideration Policy**

#### **1. Introduction**

- 1.1 This document sets out the Council's policy on the disposal of Council owned land and property at less than best consideration reasonably obtainable. The policy relates to both granting of leases and the disposal of freehold and long leasehold interests.

#### **2. Statutory Background**

- 2.1 Section 123 of the Local Government Act 1972 states that Council's, except with the express consent of the Secretary of State, cannot dispose of land (other than by way of a short tenancy i.e. grant of a term not exceeding 7 years) for consideration less than best that can be reasonably obtained in the market.
- 2.2 The 1972 Act authorised the Secretary of State to issue General Disposal Consents covering particular types of cases. However, the General Disposal Consent (England) 2003 gives Local authorities greater freedom to dispose of any interest in land at less than best consideration without the specific consent of the Secretary of State. Under this General Disposal Consent LA's may consider disposal at a reduced price if the purpose for which the land is to be disposed of is likely to contribute to the promotion or improvement of the economic, social or environmental well being of its area.
- 2.3 There are a limited number of cases where the General Disposal Consent will not apply, housing land, open space land and land held under specific statutory powers that preclude a sale under the Local Government Act 1972.
- 2.4 The Council must be aware of the rules regarding state aid. Selling land at under value confers a benefit upon the purchaser and a Council vendor must not breach the European Commission rule which relate to the importance of avoiding distortion in competition.

- 2.5 The General Disposal Consent strongly advises Councils to obtain a realistic valuation on the under value in all cases. All values are to be reported in capital, not rental, terms i.e. discounted rent multiplied by the number of years granted.

### **3. Purpose of the Policy**

- 3.1 A clear statement of the terms under which the Council will consider the sale of land and property at an under value is important because of the likely impact on the capital programme if capital receipts are lower than they would be if the asset was disposed of at best consideration.
- 3.2 The adoption of a policy will also provide the Council with a clear and consistent basis for making decisions about using its property assets as a means of achieving community objectives, recognising that best consideration in terms of asset value on disposal is not necessarily always measured simply in monetary terms.

### **4. Policy Scope**

- 4.1 The Council will consider disposals at less than best consideration in accordance with the General Disposal Consent (England) 2003 where it is satisfied that the proposed use to which the property will be put assists in achieving the Council's objectives and in excess of that currently provided. Where possible assistance should be in the form of annual grants rather than discounts to value.
- 4.2 The Council must be satisfied that the promoting local body, voluntary group or association ("the body") is properly constituted and managed. This will be verified beforehand by appropriate investigation and audit.
- 4.3 The application for the Council to consider any concessions regarding value should be submitted to the Asset & Enterprise Committee and should include:



- a) An assessment as to the extent which the organization activities contribute towards achieving the Council's aims and objectives
  - b) Include a copy of the organisation's constitution and three years of accounts.
  - c) Set out the extent to which the organization is proactive in seeking to share and make available the assets to other
  - d) community and voluntary sector uses on a not for profit basis
  - e) A recommendation as to the length of any discount
  - f) Confirmation that the organization will submit its activities and accounts on an annual basis or when required by the Council.
- 4.4 The Council will consider the sale of a freehold at less than best consideration only in very exceptional circumstances.
- 4.5 The Council, where appropriate, will consider disposing of leasehold interests at less than best consideration:
- For up to 7 years.
  - For up to 25 years in circumstances where a significant investment is to be made by the body which involves external funding and where the funding body requires a longer term.
  - In both cases the granting of the leases will only be made when the investment is approved by the Council and funding has been obtained to undertake the investment.
- 4.6 The Council will include in any lease an appropriate clause under which the asset will revert to the Council in the event of:
- a) Bankruptcy
  - b) Corruption
  - c) Failure to deliver benefits
  - d) Mutual annual break clauses
- 4.7 All leases will contain rent review provisions indicating that the market rent will be reviewed at appropriate intervals (annually at RPI)
- 4.8 All leases will include provisions to exclude any security of tenure rights

## **5. Implementation of the Policy**

- 5.1 Due to the variety of arrangements currently in place in respect of the use of the Council's assets by voluntary and community organizations it will be necessary to phase in the policy as follows:-
- a) As soon as possible where lease arrangements have already expired
  - b) As and when existing lease is due to expire
  - c) When the Council agrees to enter into a new lease arrangement
6. All disposals will be conducted in accordance with the Council's Financial Standing Orders and Schemes of Delegations.

**19 September 2017**

**Policy, Projects & Resources Committee**

**Warley Scout Lease – Amendment to Heads of Terms  
Approved at Committee in February 2016**

**Report of:** *John Chance (Section 151 Officer)*

**Wards Affected:** *Warley*

**This report is:** *Public*

## **1. Executive Summary**

- 1.1 This report considers amendment of the terms approved at Committee in February 2015. The Amendment is to allow the lease to Warley Scouts to be inside the Landlord and Tenant Act 1954.

## **2. Recommendation**

- 2.1 That the Heads of Terms attached at Appendix A (exempt) are amended to allow the lease to be inside the Landlord and Tenant Act 1954.**

## **3. Introduction and Background**

- 3.1 The 1<sup>st</sup> Warley Scouts are the oldest scout group in Brentwood being formed in 1909. They currently have 174 registered adult and youth members (2015 Scout census) and occupy the Scout Headquarters known as Eagle Hall built approx. 21 years ago. There are 2 'Beaver Colonies' (6-8 yrs), 2 'Cub Packs' (8-10 yrs), and 2 'Scout Troops' (10-14 yrs) based at the building.
- 3.2 The Warley Scouts occupy the subject property under a 28 year lease from 23 August 1993 and this expires in 2021 (approx 6 years time).
- 3.3 The building was set on fire by vandals in August 2015 destroying the structure and since this time the group has been operating in alternative premises with help from other Scout Groups in Brentwood.

- 3.4 The property needs re-building and as part of this process discussions have taken place between the Scouts and Brentwood Council to agree terms for a new lease with a longer term than that remaining. The increased term will allow more security for the Scouts and enable them to acquire funding if required .
- 3.5 Committee has already approved that the existing lease is surrendered and a new longer lease granted on the terms outlined in Appendix A (exempt) back in February 2016.

#### **4. Issue, Options and Analysis of Options**

- 4.1 At its meeting on 27<sup>th</sup> March 2015 the Councils Asset and Enterprise Committee adopted a 'Disposals at Less than Best Consideration' policy.
- 4.2 This is a disposal at less than best consideration and in order to comply with Council policy and sections 123(1) and (2) of the Local Government Act 1972 it is necessary to undertake an assessment of the extent to which the organisations activities contribute towards achieving the Council's aims and objectives. In undertaking the assessment it is also necessary to:
- Include a copy of the organisation's constitution and three years of accounts.
  - Set out the extent to which the organisation is proactive in seeking to share and make available the assets to other community and voluntary sector uses on a not for profit basis
  - A recommendation as to the length of any discount
  - Confirmation that the organisation will submit its activities and accounts on an annual basis or when required by the Council.
- 4.3 The assessment was previously set out in the original report put before Committee on 17 February 2016.

#### **5. Reasons for Recommendation**

- 5.1 That a new lease for the Scouts be put in place on the basis outlined in Appendix A (exempt) to provide continuity.

#### **6. Consultation**

- 6.1 No formal consultation has been undertaken regarding the proposed rebuilding works.

## **7. References to Corporate Plan**

- 7.1 Value for Money: policies that invest in key services to create opportunity for all, provide better value for Brentwood's taxpayers and enhance the Borough's infrastructure whilst modernising and transforming Brentwood Borough Council. We will re-prioritise and focus our resources and be innovative in our approach.
- 7.2 Our Borough: Policies which promote our environment, support sustainable growth, and safeguard our high quality environment including heritage and countryside. We will provide responsive, accessible and forward thinking services for vulnerable residents, supporting people back into work and providing good quality housing making Brentwood our residents' Borough of Choice.

## **8. Implications**

### **Financial Implications**

**Name & Title: John Chance – Finance Director (Section 151 Officer)**

**Tel & Email: 01277 312542 – john.chance@brentwood.gov.uk**

- 8.1 Where a lease is granted inside the Landlord and Tenant Act 1954 the Council will only be able to take back a property under certain instances, the most common of which are for the Council's own use or for redevelopment.
- 8.2 If the lease is taken back by the landlord at the end of the term or by way of a break clause, compensation is payable (one or two times the Rateable Value) to the tenant if the lease is inside the Landlord and tenant.
- 8.3 If a lease is outside the Landlord and Tenant Act 1954 the tenant does not have any automatic renewal rights and a property can be taken back without specific grounds needing to be proved or compensation being paid.
- 8.4 Compensation will also be payable in this instance if the Landlord's break clause is actioned and the lease is terminated in this way.

**Legal Implications****Name & Title: Daniel Toohey, Monitoring Officer****Tel & Email: 01277 312860/daniel.toohey@brentwood.gov.uk**

- 8.5 Relevant in the event of a proposed disposal of a lease interest at less than best consideration or market value, the General Disposal Consent (England) 2003 provides there is no need to seek the specific consent of the Secretary of State provided that the purpose for which the interest in the land is being disposed of by way of the lease is likely to contribute to the “promotion or improvement” of the economic, social, or environmental well-being of the area and the difference in unrestricted value of the lease of the land and the actual price paid for the lease (if any) is not more than £2 million. Government guidance (Circular 06/2003) states that ‘In determining whether or not to dispose of land for less than the best consideration reasonably obtainable, and whether or not any specific proposal to take such action falls within the terms of the Consent, the authority should ensure that it complies with normal and prudent commercial practices, including obtaining the view of a professionally qualified valuer as to the likely amount of the undervalue’.

**Other Implications** (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

- 8.6 None

9. **Background Papers**

- 9.1 See Appendix A (Exempt)

10. **Appendices to this report**

Appendix A - Heads or Terms (Exempt)

**Name:** John Chance (Section 151 Officer)

**Tel:** 01277 312 542

**E-mail:** john.chance@brentwood.gov.uk



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Appendix A is Exempt.

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**19 September 2017**

## **Policy, Projects & Resources Committee**

### **Seymour Pavilion and Playing Fields**

**Report of:** *John Chance (Section 151 Officer)*

**Wards Affected:** *Ingatestone*

**This report is:** *Public*

#### **1. Executive Summary**

- 1.1 This report considers the granting of a 25-year lease on the above property to Ingatestone and Fryerning Parish Council.

#### **2. Recommendation(s)**

- 2.1 That a new lease be granted in accordance with the terms set out in Heads of Terms attached (Appendix A).**

#### **3. Introduction and Background**

- 3.1 Ingatestone & Fryerning Parish Council was formed in 1895, following the passing of the Local Government Act in 1894. The Act created civil parishes, separating them from the church, giving them surprisingly few duties but many and wide-ranging powers to work for the benefit of their communities. Ingatestone & Fryerning Parish Council got to work straight away to acquire land for allotments in 1895 and a cemetery at Fryerning in 1899.
- 3.2 Boundary changes in 1972 meant that the Parish became part of the Brentwood District, rather than Chelmsford, and Ingatestone & Fryerning Parish Council is the largest of the nine parishes within the Borough of Brentwood.
- 3.3 The modern parish council is a corporate body with the power to raise money by taxation (the precept). It is an elected tier of local government and has an important role to play in representing the interests of the community it serves to improve quality of life.

- 3.4 Ingatestone & Fryerning Parish Council has eleven elected members and four co-opted members. The Council's responsibilities include:
- Fryerning cemetery
  - Fairfield Recreation Ground
- 3.5 Its income is made up mainly from the precept, a discretionary grant from Brentwood Borough Council and burial fees. We have also been successful in recent years in obtaining capital grants for specific projects.
- 3.6 Its office at Suite 1, 4 The Limes, Ingatestone, Essex, CM4 0BE is run by three part time staff; A Parish Clerk who is also the Responsible Financial Officer, an Assistant Clerk who is responsible for cemetery management and an Administrative Assistant.
- 3.7 The Parish Council wish to take a lease on the Pavilion and playing fields which will enable them to apply for Football Association grant to refurbish the Pavilion to modern standards. This will improve the facilities for the local community to enjoy.
- 3.8 The Football Association's requirements, in terms of the tenure required by the Parish Council for the giving of grants, are set out in Appendix 3.
- 3.9 Approval is therefore sought for the granting of a new 25-year lease to the Parish Council on the basis outlined in the Heads of Terms in Appendix 1.
- 3.10 In granting the lease there will be monetary savings to the Council.
- 3.11 The current expenditure and income on the Playing Fields is as follows:

#### Expenditure

- Grass Cutting of pitches and surrounds [based on 19 visits a year] £11,248.00
- Spiking of pitches [based on 6 visits a year] £1,776.00
- Marking out of pitches [based on 20 visits a season] £3,500
- Putting up of football posts [based on once a year] £252.00
- Taking down of football posts [Based on once a year] £252.00The above includes labour, machinery and materials.
- Not included is the unforeseen such as tree works or capital works to infrastructure such as fencing, gates and car park etc. This would be ad hoc as and when needed.
- £3,500 was spent on the Pavilion in 2016 and a further £2,500 has been spent this year so far.

- The Council are also responsible for the cleaning of the Pavilion which costs £220 per month.

#### Income

- The football pitches will generate £3,236.00 this season.

### **4 Issue, Options and Analysis of Options**

- 4.1 At its meeting on 27<sup>th</sup> March 2015 the Councils Asset and Enterprise Committee adopted a 'Disposals at Less than Best Consideration' policy.
- 4.2 This is a disposal at less than best consideration and in order to comply with Council policy and sections 123(1) and (2) of the Local Government Act 1972 it is necessary to undertake an assessment of the extent to which the organisations activities contribute towards achieving the Council's aims and objectives. In undertaking the assessment it is also necessary to:
- Include a copy of the organisation's constitution and three years of accounts.
  - Set out the extent to which the organisation is proactive in seeking to share and make available the assets to other community and voluntary sector uses on a not for profit basis
  - Confirmation that the organisation will submit its activities and accounts on an annual basis or when required by the Council.
- 4.3 The assessment can be found at Appendix B.

### **5 Reasons for Recommendation**

- 5.1 That a new lease for the Parish Council be put in place on the basis outlined in Appendix A to ensure that this asset is managed by the local community for community use.

### **6 Consultation**

- 6.1 No formal consultation has been undertaken regarding the proposed rebuilding works.

## **7 References to Corporate Plan**

- 7.1 Value for Money: policies that invest in key services to create opportunity for all, provide better value for Brentwood's taxpayers and enhance the Borough's infrastructure whilst modernising and transforming Brentwood Borough Council. We will re-prioritise and focus our resources and be innovative in our approach.
- 7.2 Our Borough: Policies which promote our environment, support sustainable growth, and safeguard our high-quality environment including heritage and countryside. We will provide responsive, accessible and forward thinking services for vulnerable residents, supporting people back into work and providing good quality housing making Brentwood our residents' Borough of Choice.

## **8 Implications**

### **Financial Implications**

**Name & Title: John Chance, Finance Director**

**Tel & Email: 01277 312542 /john.chance@brentwood.gov.uk**

- 8.1 The rental income is at less than best consideration, however, the council can now save money on maintaining the grounds as this responsibility passes to the parish council. Furthermore, the lease, let at less than best value, does facilitate a valuable addition to the community, which the local residents will benefit from.

### **Legal Implications**

**Name & Title: Daniel Toohey, Monitoring Officer**

**Tel & Email: 01277 312860/daniel.toohey@brentwood.gov.uk**

- 8.2 Relevant in the event of a proposed disposal of a lease interest at less than best consideration or market value, the General Disposal Consent (England) 2003 provides there is no need to seek the specific consent of the Secretary of State provided that the purpose for which the interest in the land is being disposed of by way of the lease is likely to contribute to the "promotion or improvement" of the economic, social, or environmental well-being of the area and the difference in unrestricted value of the lease of the land and the actual price paid for the lease (if any) is not more than £2 million. Government guidance (Circular 06/2003) states that 'In determining whether or not to dispose of land for less than the best consideration reasonably obtainable, and whether or not any specific

proposal to take such action falls within the terms of the Consent, the authority should ensure that it complies with normal and prudent commercial practices, including obtaining the view of a professionally qualified valuer as to the likely amount of the undervalue’.

**Other Implications** (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

None

## **9 Background Papers**

9.1 See Appendices

## **10 Appendices to this report**

Appendix A - Heads or Terms with plan of proposed demise.

Appendix B - Assessment of the extent to which the organisations activities contribute towards achieving the Council’s aims and objectives. Including details received from Ingatestone and Fryerning Parish Council. This includes the Parish Council’s accounts.

Appendix C - Essex Football Association Grant Requirements

### **Report Author Contact Details:**

**Name:** John Chance – Finance Director (Section 151 Officer)

**Tel:** 01277 312542

**E-mail:** john.chance@brentwood.gov.uk

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## Heads of Terms – Seymour Pavilion and Playing Fields Ingatestone

Date	
Property Address	Seymour Pavilion and playing field New Road Ingatestone, Essex CM4
Demise	Seymour Pavilion building and land as shown edged yellow on the plan attached.
Building Demise	The whole of the interior and exterior of the building including the Roof tiles and fixings, windows, window frames, doors and door furniture, door frames, internal walls, toilets, shower facilities, kitchen, electric and plumbing services and the roof structure.
Tenant	Ingatestone and Fryerning Parish Council
Lease Term	25 years to be within the Landlord and Tenant Act 1954
Rent	£300 per annum exclusive with 5 yearly rent reviews on a Consumer Price Index basis or equivalent if this ceases to exist.
Repairs and Maintenance	All maintenance and repair of the Property to be the responsibility of the tenant.
Cleaning	The tenant to be responsible for the cleaning of the Property
Utilities	Ingoing Tenant to pay for utilities supplied to the Property
Buildings Insurance	Landlord to pay cost of annual buildings insurance and reclaim the cost from Tenant.
IT Telephones and Communications Lines (where applicable)	Ingoing Tenant to provide and maintain their own IT and telephone equipment if applicable

## Heads Of Terms – Seymour Pavilion and Playing Fields Ingatestone

Refuse	Ingoing Tenant to arrange their own waste Disposal.
Business Rates	To be paid by in-going tenant as separate Business Rates Assessment.
Timing	Details to be confirmed
Legal Costs	Each party to bear their own legal costs
Brentwood Borough Council Contact Details	Brentwood Borough Council Town Hall Ingrave Road CM15 8AY FAO Russell Clinker
Ingatestone and Fryerning Parish Council Contact Details	Suite 1, 4 , The Limes, Ingatestone , Essex, CM4 0BE 01277 353315
Landlord's Solicitors	Legal Department Brentwood Borough Council Town Hall Brentwood Essex CM15 8AY
Ingatestone and Fryerning Parish Council Solicitors	Wendy Martin Associate Commercial Property Holmes & Hills LLP Bocking End Braintree Essex CM7 9AJ  Tel: 01376 320456
Conditions	<ol style="list-style-type: none"> <li>1. Subject to an Agreement for Lease being put in place with completion of the lease being conditional on the grant from the Football Association being made available. The lease will be agreed before the agreement is exchanged and the form of lease will be annexed to the agreement.</li> <li>2. Subject to the Parish Council's approval of the final documentation.</li> <li>3. Subject to contract.</li> </ol>



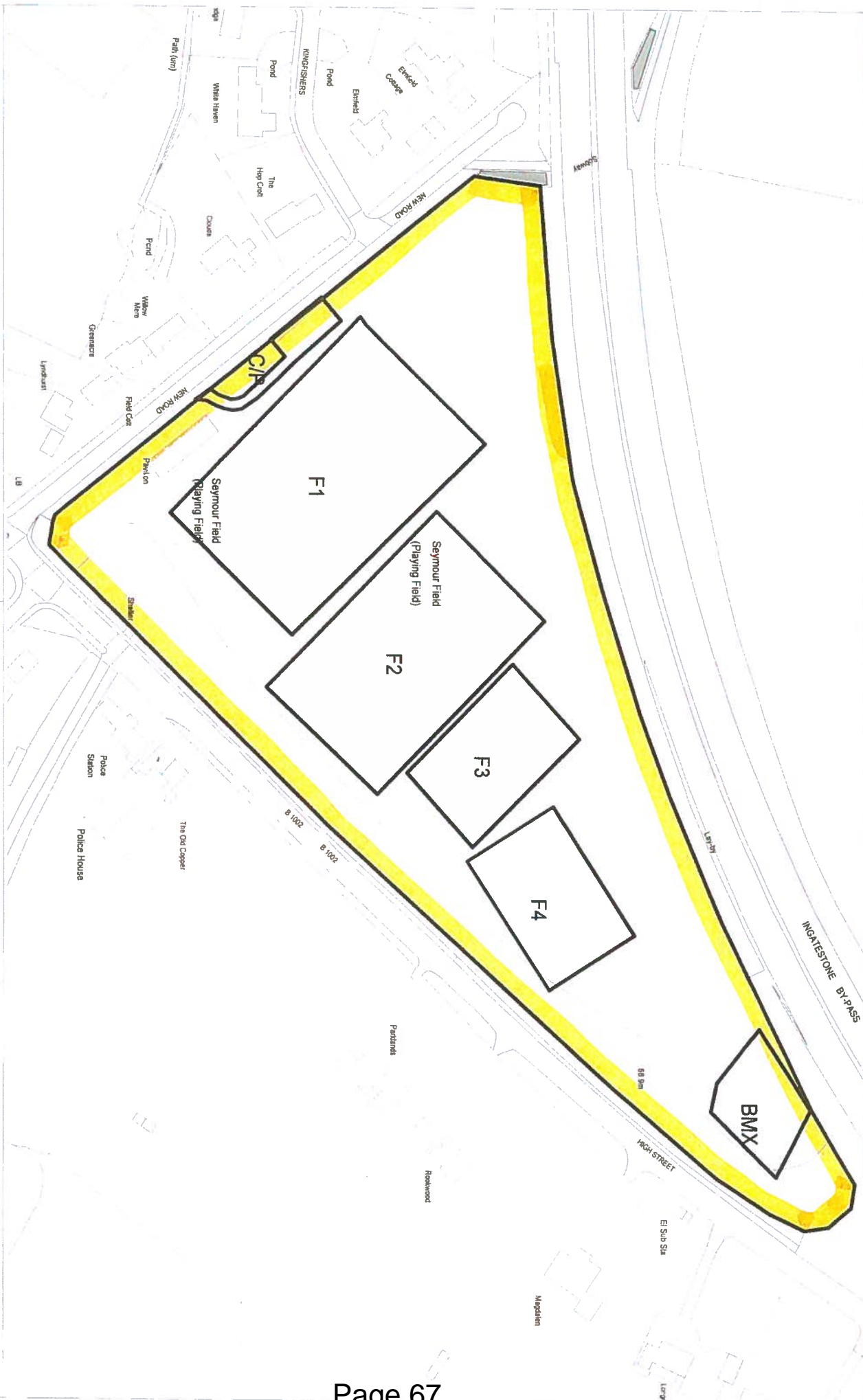
Department Parks &amp; Countryside

SCALE 1:750

Drawn By Jonathan Davis

Date 10th September 2008

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# Appendix B

## Appendix B

### **Assessment of the extent to which the organisations activities contribute towards achieving the Council's aims and objectives.**

<b>Council Requirements</b>	<b>Ingatestone and Fryerning Parish Council Response</b>
<p>Contribution towards achieving the Council's aims and objectives.</p> <p>The Current Corporate Plan 2013-2016 sets out six priority areas the most relevant on this occasion being:</p> <p><b>Localism</b></p> <p>We believe that through bringing communities together and working effectively in collaboration with a range of groups and organisations we can better ensure the future wellbeing of our borough. We will work with local businesses, community groups and the voluntary sector to develop projects that will enhance and support the local community.</p>	<p>"Firstly we do not know the Market Rent for the property so it is very difficult for the Parish Council to show this calculation. However, following the above methodology... at the very bare minimum..</p> <ul style="list-style-type: none"> <li>• 3 Parish Council part time members of staff working in total 52.5 hours per week = 52.5 x £10.20 = £535.50 per week or £27, 846 pa</li> <li>• 15 Parish Councillors who are all volunteers working at minimum 2 hours per week = 30 x £10.20 = £306 per week = £15912 pa</li> <li>• Total £43,758 per annum = £3,646.50 per month cost.</li> </ul> <p><u>Note</u></p> <p>Whilst a formal independent valuation has not been commissioned, this compares with the estimated Market Rental Value of the building and fields in the region of £4,000 per annum exclusive.</p> <p>By way of example the rating assessment for Warley Playing Fields including the changing room etc. is £4,200. This relates to values in April 2015.</p>
<b>3 Years Accounts</b>	See attachments in Appendix 2.1
The extent to which the organisation is proactive in seeking to share and make available the assets to other community and voluntary sector uses on a not for profit basis	See attachments in Appendix 2.1
Confirmation that the organisation will submit its activities and accounts on an	To be provided

annual basis or when required by the Council.	
---	--

**The extent to which the organisation is proactive in seeking to share and make available the assets to other community and voluntary sector uses on a not for profit basis**

The Parish Council have confirmed the following:

“The Parish Council will make the field and pavilion available to rent to all local societies, will continue to provide changing facilities for all the local football teams, provide the field for the Horticultural show and Brentwood Borough Council fun days and further more look to make the facilities available to the local schools for PE classes. The Parish Council will also be able to provide a newly refurbished pavilion for children’s parties, possibly play schools, business meetings. It is also hoped that the site would be used for other open air events including cinemas. Again as stated above, any rent from these events would be ploughed back into the maintenance of the site and help subsidise the precept. ”

Period Trial Balance

Period: Month 12, March 2015

<u>N/C</u>	<u>Name</u>	<u>Debit</u>	<u>Credit</u>
0010	Assets purchased	274,945.00	
1200	Current Account - 80516252	1,433.66	
1210	Bank Deposit Account 80516260	118,675.87	
1220	Parish Youth Council - 63860248	1,590.53	
1230	Petty Cash	74.97	
2100	Creditors Control Account		3,502.71
2201	Purchase Tax Control Account	2,872.26	
2202	VAT Liability		4,783.15
2210	P.A.Y.E.	2,281.95	
2220	Net Wages	4,664.16	
3000	Capital		100.00
3100	Reserves		274,945.00
3101	Undistributed Reserves		84,079.00
3700	Brentwood Borough Council Grant		38,275.96
3701	Parish Precept		98,021.00
4002	Burials and Ashes		23,880.00
4004	Seymour field		1,163.00
4005	Christmas Trees		1,269.97
4006	Allotment rent		815.00
4007	Other Grants		10,000.00
4900	Miscellaneous Income		584.86
4901	Y in the Park - income		1,399.32
4902	Other Youth Council income		887.19
5000	Purchases - waste sacks etc	1,052.05	
5002	Miscellaneous Purchases (Petty Cash)	22.18	
5009	Discounts Taken		0.01
6000	Fryerning Cemetery -- Clear Dead	687.50	
6001	Fryerning Cemetery -- Trees	2,070.00	
6002	Fryerning Cemetery -- Interments	2,605.41	
6100	Fryerning Cemetery -- Ground	14,374.13	
6202	Churchyards - hedges Change	545.00	
6203	Fryerning Cemetery -- Skip Hire	520.85	
6300	Churchyards (St. Edmunds) -- Ground	3,379.97	
6300	Fairfield - Repairs & Renewals	15,866.22	
6301	Churchyards -- High Street Plants &	4,754.00	
6302	Fairfield -- Bins	6,800.19	
6304	Fairfield -- Pond	250.00	
6305	Fairfield -- Trees	700.00	
6306	Fairfield & Seymour Field -- Ground	6,097.95	
6502	Seymour Field -- Repairs & Renewals	332.70	
6503	Seymour Field -- Cleaning	3,888.00	
6505	Seymour Field -- Annual Water	428.00	
6600	Allotments - Water	1,492.54	
7000	Policy & Resouces -Audit	220.00	
7020	Christmas (High Street Trees etc)	7,470.11	
7030	Y in the Park - expenses	2,461.44	
7060	Policy & resources - CCTV	4,298.09	
7070	Policy & resources - clock	191.00	
7095	Staff wages	31,934.09	
7096	Pension contributions - Essex	79.93	
7100	Rent	7,400.00	
7102	Water Rates	736.57	

Date: 07/05/2015

**Ingatestone and Fryerning Parish Council**

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**Period Trial Balance**

J Period: Month 12, March 2015

<u>N/C</u>	<u>Name</u>	<u>Debit</u>	<u>Credit</u>
7103	General Rates	1,425.34	
7200	Electricity	809.22	
7201	Gas	187.54	
7306	Mileage Claims	72.35	
7406	Advertising	213.30	
7500	Printing	821.45	
7501	Postage and Carriage	653.87	
7502	Office Stationery	282.25	
7503	Books etc.	36.10	
7550	Telephone and Fax	797.95	
7552	Computers & Software	1,257.76	
7553	Mobile Charges	288.10	
7601	Audit Fees	400.00	
7602	Accountancy Fees	360.00	
7604	Professional Fees	1,787.00	
7605	Management Charges Payable	300.00	
7700	Equipment Hire	300.00	
7702	Equipment Leasing	1,999.54	
7800	Repairs and Renewals (Office)	410.00	
7801	Cleaning	622.00	
7802	Office sundries	69.57	
7900	Bank Interest Paid		63.36
8200	Donations	60.00	
8201	Subscriptions	984.60	
8203	Training Costs	112.00	
8204	Insurance	2,088.49	
8205	Refreshments	134.80	
8250	Sundry Expenses	0.02	
9998	Suspense Account	99.96	
<b>Totals:</b>		<u>543,769.53</u>	<u>543,769.53</u>



**Profit and Loss**

From: Month 12, March 2015

To: Month 12, March 2015

**Chart of Accounts:**

I&amp;FPC

**Period****Year to Date****Income**

Brentwood Borough Council Grants	0.00	38,275.96
Parish Precept	0.00	98,021.00
Burials & Ashes	2,000.00	23,880.00
Seymour Field	0.00	1,163.00
Christmas Trees	0.00	1,269.97
Allotment rent	0.00	815.00
Other Grants	0.00	10,000.00
Other income	7.80	584.86
Y in the Park - income	0.00	1,399.32
Other Youth Council income	0.00	887.19
	2,007.80	176,296.30

**Purchases**

Purchase of items for resale	(0.51)	1,074.22
Christmas Trees	0.00	7,470.11
Y in the Park - expenses	0.00	2,461.44
	(0.51)	11,005.77

**Upkeep of Churchyards, Cemetery and**

Fryerning Cemetery - Flowers	0.00	687.50
Fryerning Cemetery -Trees	0.00	2,070.00
Fryerning Cemetery -Internments	50.00	2,605.41
Fryerning Cemetery Ground Maintenance	0.00	14,374.13
Fryerning Cemetery - Skip hire	0.00	520.85
Churchyards - Hedges	0.00	545.00
Churchyards (St.Edmunds) Ground maintenance	0.00	3,379.97
High Street - Plants and watering	0.00	4,754.00
Fairfield - Repairs and renewals	281.99	15,866.22
Fairfield - Bins	2,762.82	6,800.19
Fairfield - Pond	0.00	250.00
Fairfield - Trees	0.00	700.00
Fairfield & Seymour Field - Ground maintenance	1,835.83	6,097.95
Seymour Field - Repairs and renewals	0.00	332.70
Seymour Pavillion - Cleaning	288.00	3,888.00
Seymour Field - Annual water inspection	0.00	428.00
Allotments - Water	0.00	1,492.54
	5,218.64	64,792.46

**Gross Profit/(Loss):**

(3,210.33)

100,498.07

**Office Expenses**

P&R -	0.00	220.00
P&R - CCTV	0.00	4,298.09
P&R - Clock	0.00	191.00

**Profit and Loss**

From: Month 12, March 2015

To: Month 12, March 2015

**Chart of Accounts:**

I&amp;FPC

	<b><u>Period</u></b>	<b><u>Year to Date</u></b>	
Office staff salaries	0.00	32,014.02	
Office Rent ,Rates & Insurance	1,972.97	9,561.91	
Office Heat & Light	0.00	996.76	
Travel costs	0.00	72.35	
Printing Postage & Stationery	226.17	2,006.97	
Telephone, Internet & Website	182.42	797.95	
Computing & Software	81.60	1,257.76	
Mobile Phone	32.18	288.10	
Legal & Professional	1,516.00	2,847.00	
Office equipment maintenance	0.00	2,299.54	
Office - Repairs and renewals	0.00	410.00	
Office - Cleaning	12.00	622.00	
Office - Sundries	0.00	69.57	
Bank charges and Interest	(15.21)	(63.36)	
Donations and Subscriptions	0.00	1,044.60	
Training	0.00	112.00	
Insurance	0.00	2,088.49	
Other expenses	4.54	234.78	
		4,012.67	61,369.53
<b>Net Profit/(Loss):</b>	<b>(7,223.00)</b>		<b>39,128.54</b>

Date: 19/05/2016  
Time: 11:23:38

**Ingatestone and Fryerning Parish Council**  
**Period Trial Balance**

Page: 1

Period: Month 12, March 2016

<u>N/C</u>	<u>Name</u>	<u>Debit</u>	<u>Credit</u>
0010	Assets purchased	164,626.66	
1200	Current Account - 80516252	10,124.50	
1210	Bank Deposit Account 80516260	114,193.16	
1211	Nationwide BS - 90062710	75,000.00	
1212	Yorkshire BS	500.00	
1220	Parish Youth Council - 63860248	1,840.53	
1230	Petty Cash	1.49	
2100	Creditors Control Account		797.08
2202	VAT Liability	2,005.97	
2204	Manual Adjustments		4,783.15
2210	P.A.Y.E.	2,430.08	
2220	Net Wages		0.40
3000	Capital		100.00
3000	Reserves		164,626.66
3001	Undistributed Reserves		84,079.00
3200	Profit and Loss Account		38,713.45
4000	Brentwood Borough Council Grant		37,905.50
4001	Parish Precept		135,348.00
4002	Burials and Ashes		34,106.30
4004	Seymour field		1,045.00
4005	Christmas Trees		1,366.63
4007	Other Grants		8,000.00
4900	Miscellaneous Income		552.90
4902	Other Youth Council income		250.00
5000	Purchases - waste sacks etc	197.00	
5002	Miscellaneous Purchases (Petty Cash)	22.66	
6000	Fryerning Cemetery -- Clear Dead	750.00	
6001	Fryerning Cemetery -- Trees	340.00	
6002	Fryerning Cemetery -- Interments	928.33	
6100	Fryerning Cemetery -- Ground	14,766.31	
6202	Churchyards - hedges Change	125.00	
6203	Fryerning Cemetery -- Skip Hire	1,949.19	
6300	Churchyards (St. Edmunds) -- Ground	4,711.00	
6300	Fairfield - Repairs & Renewals	25,620.00	
6301	Churchyards -- High Street Plants &	4,672.00	
6302	Fairfield -- Bins	4,656.96	
6305	Fairfield -- Trees	2,895.00	
6306	Seymour and Fairfield - Ground	4,470.08	
6502	Seymour Pavilion - Repairs & Renewals	1,447.40	
6503	Seymour Pavilion - Cleaning	2,064.00	
6505	Seymour Pavilion - Water	314.00	
7020	Christmas (High Street Trees etc)	5,262.00	
7030	Events	329.00	
7070	Policy & resources - clock	197.00	
7085	Policy & Resources - Other projects	1,083.33	
7095	Staff wages	39,370.24	
7096	Pension contributions - Essex	946.60	
7100	Rent	7,482.00	
7102	Water Rates	584.93	
7103	General Rates	1,437.37	
7200	Electricity	1,135.54	
71	Gas		58.14

Date: 19/05/2016  
Time: 11:23:38

**Ingatestone and Fryerning Parish Council**  
**Period Trial Balance**

Page: 2

To Period: Month 12, March 2016

<u>N/C</u>	<u>Name</u>	<u>Debit</u>	<u>Credit</u>
7203	Other Heating Costs	60.00	
7304	Miscellaneous Motor Expenses	46.08	
7306	Mileage Claims	77.79	
7500	Printing	890.00	
7501	Postage and Carriage	322.57	
7502	Office Stationery	908.40	
7550	Telephone and Fax	1,099.80	
7551	Internet & Website Charges	1,550.00	
7552	Computers & Software	1,571.95	
7553	Mobile Charges	63.00	
7600	Legal Fees	302.10	
7602	Accountancy Fees	795.00	
7604	Professional Fees	258.00	
7606	Software Subscriptions	233.00	
7700	Equipment Hire	250.00	
7702	Equipment Leasing	2,125.92	
7800	Repairs and Renewals (Office)	405.50	
7801	Cleaning	144.00	
7802	Office sundries	125.30	
7900	Bank Interest Paid		138.49
7901	Bank Charges	12.50	
8200	Donations	60.00	
8201	Subscriptions		874.01
8203	Training Costs	815.00	
8204	Insurance	1,970.92	
8205	Refreshments	178.55	
<b>Totals:</b>		<u><u>512,744.71</u></u>	<u><u>512,744.71</u></u>

**Profit and Loss**

From: Month 1, April 2015  
To: Month 12, March 2016

**Chart of Accounts:**

I&amp;FPC

**Period****Year to Date****Income**

Brentwood Borough Council Grants	37,905.50	37,905.50
Parish Precept	135,348.00	135,348.00
Burials & Ashes	34,106.30	34,106.30
Seymour Field	1,045.00	1,045.00
Christmas Trees	1,366.63	1,366.63
Other Grants	8,000.00	8,000.00
Other income	552.90	552.90
Other Youth Council income	250.00	250.00

218,574.33

218,574.33

**Purchases**

Purchase of items for resale	219.66	219.66
Christmas Trees	5,262.00	5,262.00
Events	329.00	329.00

5,810.66

5,810.66

**Upkeep of Churchyards, Cemetery and**

Fryerning Cemetery - Flowers	750.00	750.00
Fryerning Cemetery -Trees	340.00	340.00
Fryerning Cemetery -Internments	928.33	928.33
Fryerning Cemetery Ground Maintenance	14,766.31	14,766.31
Fryerning Cemetery - Skip hire	1,949.19	1,949.19
Churchyards - Hedges	125.00	125.00
Churchyards (St.Edmunds) Ground maintenance	4,711.00	4,711.00
High Street - Plants and watering	4,672.00	4,672.00
Fairfield - Repairs and renewals	25,620.00	25,620.00
Fairfield - Bins	4,656.96	4,656.96
Fairfield - Trees	2,895.00	2,895.00
Seymour and Fairfield -Ground maintenance	4,470.08	4,470.08
Seymour Pavilion - Repairs and renewals	1,447.40	1,447.40
Seymour Pavillion - Cleaning	2,064.00	2,064.00
Seymour Pavilion - Water	314.00	314.00

69,709.27

69,709.27

**Gross Profit/(Loss):**143,054.40143,054.40**Office Expenses**

P&R - Clock	197.00	197.00
P&R - Other Projects	1,083.33	1,083.33
Office staff salaries	40,316.84	40,316.84
Office Rent ,Rates & Insurance	9,504.30	9,504.30
Office Heat & Light	1,137.40	1,137.40
Travel costs	123.87	123.87
Printing Postage & Stationery	2,120.97	2,120.97

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**Ingatestone and Fryerning Parish Council**  
**Profit and Loss**

Page: 2

From: Month 1, April 2015  
To: Month 12, March 2016

**Chart of Accounts:**

I&FPC

	<u>Period</u>	<u>Year to Date</u>	
Telephone, Internet & Website	2,649.80	2,649.80	
Computing & Software	1,571.95	1,571.95	
Mobile Phone	63.00	63.00	
Legal & Professional	1,355.10	1,355.10	
Office equipment maintenance	2,608.92	2,608.92	
Office - Repairs and renewals	405.50	405.50	
Office - Cleaning	144.00	144.00	
Office - Sundries	125.30	125.30	
Bank charges and Interest	(125.99)	(125.99)	
Donations and Subscriptions	(814.01)	(814.01)	
Training	815.00	815.00	
Insurance	1,970.92	1,970.92	
Other expenses	178.55	178.55	
	65,431.75	65,431.75	
<b>Net Profit/(Loss):</b>	<u>77,622.65</u>	<u>77,622.65</u>	

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**Ingatestone and Fryerning Parish Council**  
**Period Trial Balance**

Page: 1

Period: Month 12, March 2017

<u>N/C</u>	<u>Name</u>	<u>Debit</u>	<u>Credit</u>
0010	Assets purchased	164,517.59	
1200	Current Account - 80516252	94,394.42	
1211	Nationwide BS - 90062710	75,000.00	
1212	Yorkshire BS - 151959320	75,000.00	
1220	Parish Youth Council - 63860248	1,840.53	
1230	Petty Cash	461.96	
2100	Creditors Control Account		730.18
2202	VAT Liability	2,893.01	
2204	Manual Adjustments		4,783.15
2210	P.A.Y.E.	2,430.08	
2220	Net Wages		0.40
3000	Capital		100.00
3100	Reserves		164,517.59
3101	Undistributed Reserves		84,079.00
3100	Profit and Loss Account		116,336.10
4000	Brentwood Borough Council Grant		27,660.00
4001	Parish Precept		135,348.00
4002	Burials and Ashes		27,512.10
4005	Christmas Trees		1,466.62
4007	Other Grants		14,132.00
4900	Miscellaneous Income		884.75
5000	Purchases - waste sacks etc	197.00	
6002	Fryerning Cemetery - Interments	900.00	
6100	Fryerning Cemetery - Ground	40,300.24	
6202	Fryerning Cemetery - hedge work	85.00	
6203	Fryerning Cemetery - Skip and Bin Hire	1,565.77	
6204	Ingatestone Churchyards - Ground	4,719.96	
6300	Fairfield - Repairs & Renewals	2,963.20	
6301	High Street Plants & Watering	4,450.08	
6302	Fairfield - Bin emptying and litter picking	5,649.84	
6304	Fairfield - Pond maintenance	12,518.93	
6306	Fairfield - Ground Maintenance (Contract)	3,549.96	
7020	High Street Christmas Trees	3,617.00	
7030	Events	1,763.05	
7070	Clock maintenance	203.00	
7080	Parking agreement	1,108.38	
7085	Office move	10,618.04	
7095	Staff wages	34,854.99	
7096	Pension contributions	3,009.11	
7100	Rent	5,752.63	
7102	Water Rates	167.08	
7103	General Rates	580.33	
7200	Electricity / Service Charge	2,386.28	
7306	Mileage Claims	60.75	
7500	Printing	2,002.00	
7501	Postage and Carriage	244.17	
7502	Office Stationery	484.08	
7550	Telephone and internet (IXCG)	1,404.11	
7551	Website Charges	789.00	
7552	Computer support, software and	4,933.85	
7601	Audit Fees	600.00	
7602	Payroll Fees	330.00	

Date: 18/05/2017  
Time: 10:57:43

**Ingatestone and Fryerning Parish Council**  
**Period Trial Balance**

Page: 2

To Period: Month 12, March 2017

<u>N/C</u>	<u>Name</u>	<u>Debit</u>	<u>Credit</u>
7604	Professional Fees	391.50	
7606	Software Subscriptions	235.00	
7702	Equipment Leasing	2,278.89	
7800	Repairs and Renewals (Office)	1,069.35	
7801	Cleaning (Office)	156.00	
7802	Office sundries	94.63	
8200	Donations	1,050.00	
8201	Subscriptions	1,445.38	
8203	Training Costs	1,019.00	
8204	Insurance	1,317.76	
8205	Refreshments	146.96	
<b>Totals:</b>		<u>577,549.89</u>	<u>577,549.89</u>



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**Ingatestone and Fryerning Parish Council**

Page: 1

**Profit and Loss**

From: Month 12, March 2017

To: Month 12, March 2017

**Chart of Accounts:**

I&amp;FPC

	<u>Period</u>	<u>Year to Date</u>
<b>Income</b>		
Brentwood Borough Council Grants	0.00	27,660.00
Parish Precept	0.00	135,348.00
Burials & Ashes	611.60	27,512.10
Christmas Trees	0.00	1,466.62
Other Grants	0.00	14,132.00
Other income	507.83	884.75
	1,119.43	207,003.47
<b>Purchases</b>		
Purchase of items for resale	0.00	197.00
High Street Christmas Trees	0.00	3,617.00
Events	0.00	1,763.05
	0.00	5,577.05
<b>Upkeep of Churchyards, Cemetery and</b>		
Fryerning Cemetery -Internments	60.00	900.00
Fryerning Cemetery - Ground Maintenance	1,081.25	40,300.24
Fryerning Cemetery - Skip and bin hire	66.63	1,565.77
Fryerning Cemetery - Hedge work	0.00	85.00
Ingatestone Churchyards - Grounds	393.33	4,719.96
High Street - Plants and watering	370.84	4,450.08
Fairfield - Repairs and renewals	319.99	2,963.20
Fairfield - Bin emptying and litter picking	447.42	5,649.84
Fairfield - Pond maintenance	1,737.93	12,518.93
Fairfield - Ground maintenance	283.33	3,549.96
	4,760.72	76,702.98
<b>Gross Profit/(Loss):</b>	<b>(3,641.29)</b>	<b>124,723.44</b>
<b>Office Expenses</b>		
Clock maintenance	0.00	203.00
Car parking agreement	0.00	1,108.38
Office move	0.00	10,618.04
Office staff salaries	3,155.37	37,864.10
Office Rent ,Rates & Insurance	1,125.00	6,500.04
Electricity and Gas	677.08	2,386.28
Travel costs	0.00	60.75
Printing Postage & Stationery	758.51	2,730.25
Telephone, Internet & Website	73.00	2,193.11
Computing & Software	151.31	4,933.85
Legal & Professional	55.00	1,321.50
Software subscriptions and equipment leasing	415.09	2,513.89
Office - Repairs and renewals	0.00	1,069.35
Office - Cleaning	24.00	156.00

Date: 18/05/2017

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**Ingatestone and Fryerning Parish Council**

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**Profit and Loss**

From: Month 12, March 2017

To: Month 12, March 2017

**Chart of Accounts:**

I&FPC

	<u>Period</u>	<u>Year to Date</u>
Office - Sundries	9.30	94.63
Donations and Subscriptions	40.00	2,495.38
Training	230.00	1,019.00
Insurance	0.00	1,317.76
Refreshments (events and office)	2.80	146.96
	6,716.46	78,732.27
<b>Net Profit/(Loss):</b>	<u>(10,357.75)</u>	<u>45,991.17</u>

## Appendix C

### Essex Football Association Grant Requirements



#### FOOTBALL FOUNDATION

#### LEASE REQUIREMENTS

1. TERM - The term of the lease, or the remaining unexpired term at the date of acceptance of the offer must be at least 21 years.
2. ALIENATION – The lease must be assignable.
3. CHARGING – If necessary, landlord’s consent must be obtained for the proposed charge to the Football Foundation.
4. RIGHTS OF RE-ENTRY
  - 4.1 The lease must not contain any right for the landlord to determine the lease in the event of the tenant’s insolvency.
  - 4.2 The lease should include a mortgagee protection clause in the following terms:

*“PROVIDED THAT before exercising any right of re-entry under this clause the landlord shall give 60 days written notice to the Football Foundation or any other mortgagee of this lease for which notice has been given to the landlord (together “the Mortgagee”) and if within 60 days of the expiry of such notice the Mortgagee indicates in writing to the landlord that it wishes to remedy such breach the landlord shall allow the Mortgagee a period of three months or such longer time as may be reasonable (in view of the nature and extent of the breach) to remedy such breach or to procure that it is remedied.”*

**Bates Wells & Braithwaite London LLP**  
30 July 2010

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**19th September 2017**

**Policy, Projects & Resources Committee**

**Corporate Projects**

**Report of:** *Philip Ruck Head of Paid Service*

**Wards Affected:** *All*

**This report is:** *Public*

## **1. Executive Summary**

- 1.1 Members will be aware of the key Corporate Projects that have been reported regularly to the appropriate committee of the council.
- 1.2 At Annual Council it was agreed that the introduction of the Corporate Projects Scrutiny Committee would focus and scrutinise these key projects to ensure transparency, delivery and lessons learnt.
- 1.3 Following the meeting of the Policy, Performance & Resources Committee on the 20<sup>th</sup> June 2017 it is now intended that the Town Centre Redevelopment and the Local Development Plan will be considered and in accordance with the scope and timelines as set out in Appendix A.

## **2. Recommendations**

- 2.1 **That Members agree the list of Corporate Projects, as set out in 1.3 of this report, are put forward to the Corporate Projects Scrutiny Committee for consideration.**
- 2.2 **That Members agree the scope and timelines for the Town Centre Redevelopment and the Local Development Plan as set out in Appendix A.**
- 2.3 **That the Corporate Projects Scrutiny Committee are requested to consider the Corporate Projects as set in Appendix A and report back to the appropriate committee.**

### **3. Introduction and Background**

- 3.1 The key corporate projects have previously been reported to the appropriate committee on their progress of the projects to date and upcoming actions.
- 3.2 The projects as set out in Appendix A are required to be scrutinised to ensure they meet the needs and objectives of the Corporate Plan.
- 3.3 The projects will have interdependencies with other council projects and strategies that could have an effect on proposed timelines. In addition proposed timelines may alter as a results of options and decisions are taken.

#### **LOCAL DEVELOPMENT PLAN (LDP)**

- 3.4 The Corporate Projects Scrutiny Committee is asked to scrutinise preparation of the LDP according to the scope set out in Appendix A. Given the LDP is a complex document dealing with wide-ranging issues the scope has been set to focus on specific themes relating to LDP preparation, as informed by the context provided in the following paragraphs. This scope does not include approval or agreement of any actual sites.
- 3.5 The starting point for assessing legal requirements for the plan-making process is the National Planning Policy Framework (NPPF) and its requirements for soundness, as set out in paragraphs 14, 17 and 47, as well as paragraphs 150 - 182. Further sources of advice include other guidance and legislation that is explained on websites such as the Planning Portal, Planning Inspectorate and Planning Advisory Service (PAS).
- 3.6 The key tests for soundness are set out in the NPPF: the Plan must be positively prepared; justified; effective; and consistent with national policy (paragraph 182):
  - a) **Positively prepared** - the Plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development;

- b) **Justified** - the Plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence;
- c) **Effective** - the Plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities; and
- d) **Consistent with national policy** - the Plan should enable the delivery of sustainable development in accordance with the policies in the Framework.

- 3.7 An essential pre-requisite for the plan is to demonstrate that the Duty to Cooperate has been met. Local planning authorities must demonstrate how they have complied with the duty at the independent examination of their Local Plans. If a local planning authority cannot demonstrate that it has complied with the duty then the Plan will not be able to proceed further in examination.
- 3.8 The duty to cooperate was created in the Localism Act 2011, and amends the Planning and Compulsory Purchase Act 2004. It places a legal duty on local planning authorities, county councils and public bodies to engage constructively, actively and on an ongoing basis to maximise the effectiveness of Plan preparation in the context of strategic cross boundary matters.
- 3.9 The duty to cooperate is not a duty to agree. However, local planning authorities should make every effort to secure the necessary cooperation on strategic cross boundary matters before they submit their Local Plans for examination.
- 3.10 It is essential that the Plan is supported by robust evidence, which can comprise of a range of technical studies and other documents. The NPPF (paragraph 158) sets out that each local planning authority should ensure that their Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. Local planning authorities should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals. National guidance sets out that evidence should be appropriate and proportionate, informing the Plan and shaping its development.
- 3.11 Evidence is required to inform specific issues relevant to the local area and its policies, but the NPPF sets out requirements to evidence the following selected themes (among others) (paragraphs 158-177):

- a) Housing;
- b) Business;
- c) Infrastructure;
- d) Environment;
- e) Historic environment;
- f) Health and well-being; and
- g) Viability and deliverability.

## **TOWN CENTRE REDEVELOPMENT**

- 3.12 Brentwood Town Centre is adapting to changing market demands. Council owned sites, such as William Hunter Way car park, provide an opportunity for redevelopment but it is vital that any development meets a range of local needs (retail/leisure, car parking, enhanced public realm, housing, for example). It is also important that new development across the Town Centre, including sites outside Council ownership, is planned cohesively and contributes positively to the area, and that proposals are deliverable and sustainable.
- 3.13 In 2016 the Council moved to understand more about redevelopment opportunities and progress these by beginning work on "Design Plan" for Brentwood Town Centre. Urban design specialists Levitt Bernstein were appointed along with a wider project team of experts in retail market viability, transport & movement, and heritage. This work takes an overarching strategic view of the Town Centre and considers development options on specific sites - how they relate to each other and the area. This work is very near completion and publication. It forms the strategic guide for more detailed work and moving forward with development schemes, namely:
- a) Brentwood Town Centre Design Guide; and
  - b) Development (Design) Briefs.
- 3.14 The Brentwood Town Centre Design Guide will provide specific planning policy guidance on the design of buildings and spaces. It will inform decisions on development proposals and form part of the Council's development plan, once adopted as a Supplementary Planning Document (SPD) or similar. Preparing planning policy that can be given the necessary weight in decision-taking requires the Council to undertake public consultation in line with relevant legislation. A consultation period is proposed to take place in the autumn and consideration of the representations received will need to be undertaken to ensure the document responds to relevant points raised.



- 3.15 The Corporate Projects Scrutiny Committee is asked to scrutinise the consideration of these representations so that the document can then be reissued and adopted by the Council. This will be a valuable tool to assist the Planning Development Management Team in decision-taking on Town Centre proposals and help shape our strategic planning aims of enhancing Brentwood.
- 3.16 Alongside this, development briefs will be prepared on selected Council owned sites, such as William Hunter Way. This process is interlinked with the Council's asset review work currently ongoing, the next stage of which is set out at Item No. 9 Once a clear route forward is agreed on this project the process of preparing development plans can be progressed.
- 3.17 The Brentwood Town Centre Design Plan and Design Guide are central to the Council's Local Development Plan objectives and so there is a degree of overlap in terms of how change can be managed and delivered.

#### **4. Reasons for Recommendation**

- 4.1 To ensure that the Corporate Plan 2016-2019 is supported by projects that deliver the necessary change.

#### **5. Consultation**

- 5.1 Not appropriate at this stage

#### **6. References to Corporate Plan**

- 6.1 A Modern Council transforming its services to improve efficiencies and economies through new ways of working.

#### **7. Implications**

##### **Financial Implications**

**Name & Title:** John Chance, Section 151 Officer

**Tel & Email:** [john.chance@brentwood.gov.uk](mailto:john.chance@brentwood.gov.uk) Tel 01277 312712

- 7.1 These will be fully evaluated as part of the business case process

##### **Legal Implications**

**Name & Title:** Daniel Toohey, Monitoring Officer

**Tel & Email:** [daniel.toohey@brentwood.gov.uk](mailto:daniel.toohey@brentwood.gov.uk) Tel 01277 312860

- 7.2 The legal implications in respect of service level agreements etc. will need to be considered in detail should this option be progressed.

**Other Implications** (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

7.3 These will all be addressed should the option be progressed.

## **8. Background Papers**

8.1 None at this stage

## **9. Appendices to this report**

Appendix A

### **Report Author Contact Details:**

**Name:** Phil Ruck

**Telephone:** 01277 312569

**E-mail:** philip.ruck@brentwood.gov.

Corporate Projects	
<b>Project</b>	Town Centre Redevelopment
<b>Validation</b>	Will promote the use of Council assets to help provide sustainable development in Brentwood Town Centre, in a cohesive way that supports the changing local economy.
<b>Scope</b>	Review content of Design Guide consultation representations.
<b>Timelines</b>	<b>Draft Consultation:</b> October/November 2017 <b>Consider Representations:</b> December 2017 – January 2018 <b>Reissue Proposed Document &amp; Adopt:</b> February-March 2018

<b>Project</b>	Local Development Plan (LDP)
<b>Validation</b>	Will broaden the range of housing and employment sites in the Borough and guide infrastructure delivery to meet the needs of our population now and in the future.
<b>Scope</b>	<ol style="list-style-type: none"> <li>1. Review the Council's plan-making process as required by the National Planning Policy Framework (NPPF).</li> <li>2. Review efforts to ensure that necessary cooperation on strategic cross boundary matters have been made.</li> <li>3. Review subjects and issues covered by LDP evidence base to ensure it is appropriate and proportionate.</li> </ol>
<b>Timelines</b>	Subject to review of the Council's Local Development Scheme (LDS) and timetable discussion with the Department for Communities and Local Government

	<p><b>Focused Consultation (Regulation 18)</b>  Consultation: November-December 2017  Working Group: October-December 2017 – to consider validity of the plan-making process and evidence base in relation to the following:</p> <ul style="list-style-type: none"> <li>(i) Soundness tests</li> <li>(ii) Duty to co-operate</li> <li>(iii) Evidence (Housing and Gypsy &amp; Traveller need, employment need, Green Belt assessment, etc)</li> </ul> <p>Consider Representations: January-April 2018</p> <p><b>Pre-Submission Consultation (Regulation 19)</b>  Consultation: May-June 2018  Consider Representations: June-August 2018</p> <p><b>Submit Plan:</b> October 2018  <b>Examination:</b> November 2018 – May 2019  <b>Adoption:</b> June 2019</p>
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**19 September 2017**

## **Policy, Projects & Resources Committee**

### **2017/18 General Fund Revenue and Housing Revenue Account Budget Monitoring Update.**

**Report of:** *John Chance – Finance Director*

**Wards Affected:** *All*

**This report is:** *Public*

#### **1. Executive Summary**

- 1.1 This report provides the Policy, Projects & Resources Committee with an update to the 2017/18 General Fund Revenue Budget and Housing Revenue Account that was agreed at committee on 1<sup>st</sup> March 2017. Reporting the current projected outturn for both accounts.
- 1.2 The report reviews the Treasury Management & Investment strategy for 2017/18.
- 1.3 Capital monitoring will be reported at the next Policy, Projects & Resources committee for a more detailed update.

#### **2. Recommendations**

- 2.1 Agree the projected outturn position for 2017/18 of the Council's General Fund Revenue budget as at 31 August 2017, as detailed in Table A of the report.**
- 2.2 Agree the projected outturn position for 2017/18 of the Council's Housing Revenue Account at 31 August 2017, as detailed in Table B of the report.**
- 2.3 To Note the Treasury Management Activity for the period 1 April 2017 to 31 August 2017 as detailed in section 5 of the report, and to investigate the addition of Property Funds to the list of approved investment instruments & report back to a future committee.**

### 3. General Fund Revenue Account

- 3.1 On 1<sup>st</sup> March 2017 at Ordinary Council, The General Fund Budget was set with a 2017/18 funding gap of £283k. This included a proposed savings target of £980k for 2017/18 which has been incorporated into the original budget reporting position of General Fund Net Expenditure shown in Table A.
- 3.2 On the 20<sup>th</sup> June 2017, Policy, Project and Resources Committee was reported a revised position statement following the 2016/17 outturn showing a carried forward working balance of £3,742k. This revised working balance position shown at the bottom half of Table A

**Table A – General Fund Revenue Account as at 31<sup>st</sup> August 2017**

	<b>2016/17 Actual</b>	<b>2017/18 Original Budget</b>	<b>2017/18 Estimated Outturn</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Total General Fund Net Expenditure</b>	<b>10,283</b>	<b>9,769</b>	<b>9,946</b>
<b>Total Funding</b>	<b>(10,283)</b>	<b>(9,486)</b>	<b>(9,701)</b>
<b>Funding Gap</b>	<b>0</b>	<b>283</b>	<b>245</b>
<b>Working Balance b/fwd</b>	<b>3,965</b>	<b>3,742</b>	<b>3,742</b>
<b>Funding Gap</b>	<b>0</b>	<b>283</b>	<b>245</b>
<b>Earmarked spend on balances*</b>	<b>223</b>	<b>468</b>	<b>468</b>
<b>Working Balance c/fwd</b>	<b>3,742</b>	<b>2,991</b>	<b>3,029</b>

\*

- 3.3 The General Fund Revenue Account estimated outturn is currently £245k as 31<sup>st</sup> August 2017. This shows the Council is currently in a favourable position to original budget by £38k.
- 3.4 The Council continues to face financial pressures from Government funding, which is one of the main causes of the budgeted funding gap in 2017/18.
- 3.5 This favourable position is after taking into account the following.

- (£180k) NNDR pooling Income – projected saving on reduction levy payments to Essex Business Rates Pool.
- (£86k) vacancy factor on salaries – projected vacancies within the Budget that may not be recruited to during 2017/18.

3.6 Although the Council is currently in a favourable position to its original budget, there are current in year pressures that the Council is facing, which is still leading to a funding gap of £245k.

- Parking Income – Consultation period has only just finished for the parking review. Until fees are increased, the Council continues to see this as an ongoing pressure.
- Insurance premium tax – Increase in IPT from June 2017.
- Waste disposal costs – Cost per tonne has increased to dispose of its waste.
- Recycling credit Income – The Council continues to receive less income it gets from recycling from Essex County Council, due to the current market and contamination.
- Continued low Interest Rates are affecting investment returns.
- Employers Pension Contribution – Contributions have increased from 14.2% to 17.1% which will be an ongoing pressure for future years but not in the current year.

3.7 Overall the position is in line with the budget and officers are continuing to look at opportunities to improve upon this position and therefore close the Funding Gap even further during the remainder of the financial year.

#### **4. Housing Revenue Account**

- 4.1 On 1<sup>st</sup> March 2017 at Ordinary Council, The Housing Revenue Account was set with a 2017/18 surplus of £450k shown in Table B.
- 4.2 On the 20<sup>th</sup> June 2017, Policy, Finance and Resources Committee reported the 2016/17 Housing Revenue Account outturn as a surplus of £183k. This has led to carried forward working balance of £1,546k shown at the bottom half of Table B.

**Table B – Housing Revenue Account Position as at 31<sup>st</sup> August 2017**

	<b>2016/17 Actual</b>	<b>2017/18 Original Budget</b>	<b>2017/18 Estimated Outturn</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Total Housing Service Expenditure</b>	<b>8,026</b>	<b>8,892</b>	<b>8,104</b>
<b>Total Housing Service Income</b>	<b>(13,546)</b>	<b>(13,273)</b>	<b>(13,273)</b>
<b>Non Service Costs</b>	<b>4,340</b>	<b>3,123</b>	<b>3,911</b>
<b>Appropriations</b>	<b>997</b>	<b>808</b>	<b>808</b>
<b>(Surplus)/Deficit for HRA</b>	<b>(183)</b>	<b>(450)</b>	<b>(450)</b>
<b>Working Balance b/fwd</b>	<b>1,364</b>	<b>1,546</b>	<b>1,546</b>
<b>(Surplus)/Deficit for HRA</b>	<b>(183)</b>	<b>(450)</b>	<b>(450)</b>
<b>Working Balance c/fwd</b>	<b>1,546</b>	<b>1,096</b>	<b>1,096</b>

- 4.3 The Housing Revenue Account estimated outturn is currently showing a surplus of £450k as 31<sup>st</sup> August 2017 which is in line with the Original Budget.
- 4.4 One of the Pressures that Housing Revenue Account is currently facing is the Revenue contribution to capital and the additional cost required to fund slippage on the Capital program from 2016/17 that has not yet been funded from revenue because HRA is self-funding. A more detailed look of the Capital program and the effect of this will be brought back to a future committee.



- 4.5 Overall the Housing Revenue Account is not expected to change from the Original budgeted position for 2017/18, however officers will continue to review projected spend so the HRA continues to make a surplus as budgeted.

## **5. Treasury Management & Investment Strategy 2017/18**

- 5.1 The Treasury Management Strategy Statement (TMSS) for 2017/18 was approved by Council on 1 March 2017.

- 5.2 The Council has adopted the Code of Practice for Treasury Management issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). One of the requirements of the Code is that members should receive a mid-year review report.

- 5.3 This report, which covers the first five months of the 2017/18 financial year, is presented in accordance with this requirement.

### **Investments**

- 5.4 The Council's investment balances at 1 April and 31 August are outlined in Table C.

**Table C – Council's Investment Balances**

	<b>£000</b>
Investments at 1 April 2017	17,000
Investments at 31 August 2017	20,500
<b>Increase</b>	3,500

- 5.5 The increase in investment balance is largely due to the timing of council tax and business rates receipts, most of which are received over the first ten months of the financial year.
- 5.6 The investment balances are expected to remain constant to the end of January 2018 and to decrease over the last two months of the financial year, as council tax and business rates tail off, but expenditure remains constant.
- 5.7 The latest forecast is for the year-end investment balance to be approximately £13m, though the actual amount will depend on factors such as the size of any slippage on the capital programme.
- 5.8 Most of the investments made this year have been in the form of fixed term deposits with UK banks, building societies and other local authorities.

Most of these investments are in amounts of £1m and for durations of up to six months. This approach enables the Council to spread its investments across a number of lenders and to retain liquidity.

5.9 The Council also invests funds in a 95 day notice account provided by Santander UK plc.

5.10 All investments have been in accordance with the approved limits within the TMSS.

5.11 Table D identifies the investments held by the Council at 31 August 2017:

**Table D - Investments held at 31 August 2017**

	<b>Amount £'000</b>	<b>Start date</b>	<b>Maturity date</b>	<b>Interest rate</b>
<b><u>Fixed Term Deposits - UK Banks &amp; Building Societies</u></b>				
Lloyds Bank Plc	1,000	05/04/2017	05/10/2017	0.55%
Goldman Sachs	1,500	04/04/2017	04/10/2017	0.77%
Coventry Building Society	1,000	04/07/2017	03/11/2017	0.25%
Coventry Building Society	1,000	04/07/2017	04/12/2017	0.30%
Nationwide Building Society	1,000	09/06/2017	11/12/2017	0.37%
Nationwide Building Society	1,000	17/07/2017	18/01/2018	0.32%
Nationwide Building Society	1,000	01/08/2017	02/02/2018	0.32%
Nationwide Building Society	1,000	11/08/2017	12/02/2018	0.32%
<b><u>Fixed Term Deposits - Local Authorities</u></b>				
Thurrock Council	1,000	04/05/2017	04/09/2017	0.32%
Thurrock Council	1,000	03/04/2017	03/01/2018	0.43%
Leeds City Council	1,000	05/12/2016	05/09/2017	0.34%
Leeds City Council	1,000	01/06/2017	31/05/2018	0.38%
Eastleigh Borough Council	1,000	06/04/2017	19/10/2017	0.40%
Salford City Council	1,000	21/12/2016	20/12/2017	0.42%
Barnsley Metropolitan Borough Council	1,000	18/04/2017	18/01/2018	0.43%
Barnsley Metropolitan Borough Council	1,000	18/04/2017	17/04/2018	0.48%
Barnsley Metropolitan Borough Council	1,000	05/06/2017	11/05/2018	0.38%
<b><u>95 day notice account</u></b> Santander UK plc	3,000			0.65%
<b>Total</b>	<b>20,500</b>			

### **Amendments to investment instruments**

- 5.12 The Finance Director is considering the use of property funds as an investment instrument alongside fixed term and instant access deposits. For technical purposes, property funds are classified as a type of non-specified investment.
- 5.13 Property funds are not on the Council's current list of approved investment instruments, and it is recommended that these be investigated to give the Finance Director the option of investing in this type of fund, for a decision to be brought back at a future committee.

### **Interest rate forecast and Investment income**

- 5.14 The Bank Rate has been at a historic low level of 0.25% since August 2016, and is not expected to increase for some considerable time. The Council's rate of return on investments for April to August has been 0.44%, and the forecast interest earnings for the year are £0.086m. This is a shortfall of £0.060m on the budgeted figure of £0.146m and is the result of a general reduction in investment interest rates since 2016/17.

### **Borrowing**

- 5.15 Table E identifies the loans held by the Council at 31 August 2017:

**Table E - Loans as at 31 August 2017**

Category	Start Date	Repayment Date	Interest rate	Amount £'000
<u>HRA</u>	28/03/2012	28/03/2022	2.40%	5,000
	28/03/2012	28/03/2027	3.01%	10,000
	28/03/2012	28/03/2032	3.30%	15,000
	28/03/2012	28/03/2037	3.44%	15,000
	28/03/2012	28/03/2042	3.50%	14,166
				<b>59,166</b>
<u>General Fund</u>	30/04/1995	30/04/2055	8.88%	800
	24/04/1995	24/02/2055	8.88%	800
	08/01/2003	08/01/2028	4.88%	400
				<b>2,000</b>
	<b>Total</b>			<b>61,166</b>

### **Debt Rescheduling**

- 5.16 There are no plans to undertake debt rescheduling during 2017/18.

## **6 Reasons for Recommendation**

- 6.1 Effective financial management underpins all of the priorities for the Council and will enable the Council to operate within a sustainable budget environment.

## **7 Consultation**

- 7.1 None

## **8 References to Corporate Plan**

- 8.1 The Medium Term Financial Plan is linked to achieving the vision in the corporate plan.

## **9 Implications**

### **Financial Implications**

**Name & Title:** John Chance, Finance Director

**Tel & Email:** 01277 312 542 John.chance@brentwood.gov.uk

- 9.1 The financial implications are set out in the report.

### **Legal Implications**

**Name & Title:** Daniel Toohey, Head of Legal Services & Monitoring Officer

**Tel & Email:** 01277 312 860 daniel.toohey@brentwood.gov.uk

- 9.2 There are no direct legal implications arising from this report.

### **Other Implications - Risk Management**

- 9.3 Finance Pressures is an existing Risk on the Council Strategic Risk register. The outcome of this Budget monitoring update has not altered the current risk rating of this specific risk, as it is currently set at the highest level.

## **10 Background Papers**

- 10.1 Available from the Finance Department

### **Report Author Contact Details:**

**Name:** Jacqueline Van Mellaerts, Financial Services Manager

**Telephone:** 01277 312 829

**E-mail:** Jacqueline.vanmellaerts@brentwood.gov.uk

**19<sup>th</sup> September 2017**

**Policy, Projects and Resources Committee**

**Brentwood Asset Development Programme**

**Report of:** *Phil Ruck – Chief Executive.*

**Wards Affected:** *All*

**This report is:** *Public*

## **1. Executive Summary**

- 1.1 The purpose of this report is to update Members on progress made to date in taking forward the Council's asset development programme and to outline next steps and issues that may arise.
- 1.2 The aim of the asset development programme will be to steer and manage development opportunities from the Council's property asset base so as to deliver improved revenue income streams from the portfolio but at the same time securing the regeneration, economic development and housing objectives of the Council.
- 1.3 The project board has considered a range of options for securing returns from the portfolio and at this stage favours a hybrid approach which allows the Council to take forward smaller projects alone but shares risk on the more complicated projects.
- 1.4 Under a hybrid approach straightforward smaller sites are self-developed by the Council with more complex sites developed by a single joint venture development partner in accordance with the Council's vision for each of those sites. This activity will be programmed over a number of years in accordance with business plans and cash flow requirements that will be agreed by Committee.
- 1.5 For a Hybrid approach to deliver successfully there will be a requirement for the Council to undertake development activity itself. It will need to resource the role and manage the related risks. In addition, it is crucial that the Council adequately resources its role as a partner to the activities of a partnership, either as shareholder to a new Company, or through an alternative governance arrangement. A common mistake by Councils is not to undertake this role with appropriate resource and skillsets such that the partnership either does not operate effectively, or the rewards between the partners are not appropriately shared.
- 1.6 The next stage in taking forward the project is to consult the market. This will identify market appetite for the options and assist in defining the scope

of the approach the Council may wish to take forward and how it can be realised/procured. This will inform how the Council might engage with partners or indeed procure a Joint Venture development partner or investment partner. It will also inform how the Council may take forward self-development projects. As such this next stage of the work is critical in shaping the delivery of the entire programme over future years.

- 1.7 The output of this next stage will be considered by the Project Board, comprising Cllr McKinlay, Cllr Kerslake, Phil Ruck, Steve Summers and John Chance in a check and challenge session, with the objective of developing a detailed recommendation to the Council's Policy Performance and Resources Committee for how the project should be taken forward.

## **2. Recommendation(s)**

- 2.1 The committee approves a Hybrid approach for securing the Councils Vision and Objectives.**
- 2.2 That delegated authority be given to the Chief Executive in Consultation with Group Leaders or their appointed deputies to consult with the market to inform the next stage of project development.**
- 2.3 A further report be brought back to this committee's November meeting with the Project Board's detailed recommendations and action plan for taking forward this project.**
- 2.4 The committee approves that officers investigate the establishment of an appropriate investment vehicle or vehicles for the delivery of the Councils objectives. Such an investment vehicle will be subject to appropriate legal requirements.**
- 2.5 That progression of the development and delivery of the asset programme will be brought back to an appropriate future committee.**

## **3. Introduction and Background**

- 3.1 East of England Local Government Association (EELGA) were commissioned in March 2017 to support the Council in driving forward its asset agenda, with particular focus on considering options for steering

and managing the development opportunities from the Council's asset base so as to deliver improved revenue streams.

- 3.2 As part of the commissioning process EELGA developed a 7-step plan (for Phase 1) to help the Council select a preferred option and the best way of achieving its implementation by reviewing delivery models and the most effective procurement paths.
- 3.3 An initial visioning workshop was held with the Project Board to develop a draft vision and objectives to be used to underpin the project and a development programme with forecast returns developed from a sample of Council owned assets to illustrate the potential revenue outcomes.
- 3.4 The vision for the programme is:

### **Vision**

"A development, investment and optimisation programme that quickly delivers/optimises a portfolio of income generating assets and capital receipts to support the Council's growth agenda. Whilst generating financial returns for the Council and acting commercially this programme will respect the residents, businesses and taxpayers of Brentwood and the ethics and values of the Council."

### **Primary Objectives**

- Generate capital and revenue returns from the Council's asset programme and managing opportunities as appropriate.
- Develop a portfolio approach that balances risk and reward across a portfolio of assets;
- In developing / making investment decisions / optimising assets be cognisant of the potential to reduce long term costs and risks to the Council Tax payers;
- In making development / investment decisions / optimising assets take into account the Council's growth agenda;
- To develop and utilise a series of approaches that are in line with the Council's corporate strategy whilst maximising income return;
- The Council will use its borrowing powers, and capital receipts, to invest in asset based transactions targeting financial return;
- Undertake activities with a view to establishing and maintaining pace; and

- The Council is open to appraising out of borough investments for better financial returns and will also consider co-investment opportunities with public not for profit and private sector partners.
- 3.5 EELGA has worked with the Project Board to undertake an asset challenge and triage process to review the Council's property assets and the Council's vision for them.
- 3.6 A range of delivery options has also been considered and at this stage the Project Board is likely to favour a Hybrid approach and it is now seeking Committee approval for the hybrid approach and to proceed with a market consultation to check and challenge its considerations, seek levels of interest and inform the next stage of project development.

#### 4. Issue, Options and Analysis of Options

- 4.1 Asset Challenge and Triage - The asset challenge and triage process considered the current status of the Council's property assets, the Council's ambition and vision for them, their planning status and their complexity and deliverability. Assets initially considered as part of this process are set out in Appendix A. The principal properties are shown below.

Warley Depot	William Hunter Way
Chatham Way Car Park	Westbury Road Car Park
King Edward Road ( <i>vacant development site</i> )	Land Adjacent to Alexander Lane
Garage Sites	1-2 Seven Arches Road

- 4.2 This process was followed by an assessment of delivery options which included:

**Option 1 – Disposal** – Baseline (in current condition / stage)

**Option 2 – Joint Venture Enabling Partner** – All sites enabled by a joint venture partnership and service plots sold to the market

**Option 3 – Joint Venture Development Partner** – All sites developed by a joint venture partnership with a single development partner



**Option 4 – Joint Venture Investment Partner** – All sites developed by a joint venture partnership with a single investment partner and multiple development / construction organisations

**Option 5 – Hybrid Approach** – Simple sites e.g. garage sites are self developed by Brentwood / more complex sites e.g. Town Centre are developed by a single joint venture development partner

**Option 6 – Self Development** – All sites are developed by Brentwood

**Option 7 – Do Nothing** – discounted because of the Council's need to generate revenue returns from its portfolio of property assets.

Please see tables at **Appendix B** for a more detailed consideration of the advantages and disadvantages of each option.

- 4.3 Project Board currently favours the Hybrid Approach and is now seeking Committee approval for the approach and to proceed with market soundings to assess interest in and the deliverability of the options and to inform the next stage of project development which will include development of a resourcing plan and detailed delivery/action plan.
- 4.4 Market soundings will allow project board to better understand and flesh out how the Council's role could be undertaken. For example, under the Hybrid approach there will potentially be a requirement for the Council to undertake significant development activity itself on the smaller sites. It needs to be established how this role will be resourced, the most appropriate investment vehicle(s) and the related risks managed. Will the Council utilise external resource to help manage these risks and undertake these roles? Or will it staff up internally? What will be the extent of the requirement and across what time horizon? These are key questions that need to be answered in order to understand and shape the project that the Council may resolve to take forward.
- 4.5 For either a Hybrid or pure partnership approach it is crucial that the Council adequately resources its role as a partner to the activities of the partnership, either as shareholder to a new Company, or through an alternative governance arrangement. A common mistake by Councils is not to undertake this role with appropriate resource and skillsets such that the partnership either does not operate effectively, or the rewards between the partners are not appropriately shared.
- 4.6 With the insight from market soundings Project Board will be able to identify its preferred option and develop the scope of the potential partner. For example, issues to be addressed in the market soundings will include what are the services, schemes, and responsibilities to be required from the parties? Will they be asked to fund, develop and manage assets or

will it be an alternative configuration of just some of these roles. This needs to be understood before the project can be progressed.

- 4.7 These steps will address the roles and responsibilities of the Council and the potential partners. Concurrently with progressing these areas, the Council needs to undertake further work on the sites/schemes in question. Decisions will need to be taken on a range of issues including planning strategy and appropriate investment vehicle(s). For example, does the Council want to obtain planning before working with a partner? Or share these costs with the partner following engagement? Which sites / schemes might it want to undertake itself and which with a partner? And there's a variety of other questions. It is important that the Council undertakes this review and utilises the appropriate skillsets both internally and externally in the form of Financial, Legal and Property advisors.
- 4.8 Once the Project Board has worked through the above areas it will be clear on the option(s) it wishes to recommend to the Policy Performance and Resources Committee and the roles and responsibilities which should be undertaken in house and those that it needs to procure from a partner, or partners.
- 4.9 Subject to obtaining Committee approval the project board will then be in a position to develop the procurement approach and documentation that underpins it. A partnership approach requires a dialogue to achieve the most appropriate relationship, and most commonly a "Competitive Dialogue" OJEU procurement procedure is used. This is not the only approach available to the Council, and working with its advisors it can weigh up the potential approaches and decide which is most suitable, as well as the key stages and timeline for the procurement. Typically, the procedure would take between 6 and 12 months to complete.
- 4.10 Once the approach has been agreed by Committee, the key documents can be developed. These include, but are not limited to, elements as follows:

**Selection Questionnaire** – How will bidders be judged to pre-qualify for the procurement, including an assessment of historic performance on similar projects and financial assessments.

**Descriptive Document** - The Vision and Objectives of the Council and the "glossy brochure" that the market will see showing what the Council is trying to achieve and laying out the headlines of the procurement.

**Specification** – This is the key document that articulates the Council's requirements, providing a detailed scope of works / specification that the

Council is seeking from its partner. This clearly explains the role in detail and the requirements the Council has as to how it will be delivered.

**Evaluation Criteria** – How will potential partners be evaluated, including the balance between price and quality in this assessment and the types of quality question to be asked, ranging from Skills and Capabilities of its potential partner, to its approach to planning, and from scheme design to partnership approach.

**Scoring Mechanism** – A technical approach to how questions are scored in order to shortlist bidders and eventually select the preferred partner.

The process of developing this procurement documentation is crucial in both designing a procurement that delivers the appropriate partner for the Council and also in ensuring that it is completed in the most efficient and effective way. Typically, the Council requires internal resource from key services as well as external Financial, Property and Legal advice to develop the documentation.

- 4.11 Once the documentation has been set the procurement can be launched and run in line with the appropriate procedure. As mentioned earlier, a “Competitive Dialogue” procedure typically takes between 6 and 12 months, depending on a number of factors, ranging from the stages utilised within the procedure to the level of Dialogue. It requires Dialogue sessions with bidders, and marking and moderation of responses in stages across the timetable. Once the preferred bidder has been selected there is then a period to optimise and finally sign the contract. Typically, this takes a period of 2 to 3 months. Once these stages have been completed the partnership can launch and drive forward its first schemes.
- 4.12 The stages above lay out the key tasks that are required to drive a selected approach forward. They show a clear need for significant resource from the Council, and from a team of appropriate advisors.
- 4.13 As highlighted above, there is a clear on-going role for the Council once the approach has been determined. This role should not be underestimated. As the financial case has shown in the work completed to date, the size of the potential prize for the Council in revenue and regeneration terms is significant. However, an element of this financial return needs to be set aside to fund the in house resource needed to self develop projects and manage the programme and ensure the “client side” role is effectively delivered.
- 4.14 It is only by closely monitoring / challenging yourself and your partner and focusing on scheme delivery that the financial and non-financial benefits can be realised. This paper does not seek to articulate this resource

requirement, as it is a direct product of the approach the Council may eventually select and which will be set out in the recommendations from the Project Board after completion of the next stage of work. As highlighted above, if the Council is undertaking development activity itself, the level and type of resource is significant, and differs significantly from a “client side” role to a development partnership. This will be reviewed as part of the approach selection and delivery.

- 4.15 Most important, at this stage, is understanding the level and type of resource required from the Council to take the project forward. The most crucial resource is a Project Lead. This individual will be the point person acting as the Council’s voice in taking the project(s) forward. They know the project most intimately and can bring in the appropriate external advisors for appropriate elements of the programme. They need not be a legal, financial, property or procurement expert but be a strong programme manager who understands the Council’s vision and objectives. This is often not someone who is undertaking a full day job as well as this role, thus often they are external parties who are brought in for this type of project. At this stage it should be acknowledged that this resource does not exist within in the Council and will need to be procured albeit the resource will not be required once the programme is established and operational.
- 4.16 There will be significant input required from Senior Staff. A project as high profile as this would have input from the Chief Executive and Senior Directors including Finance, Housing, Regeneration and Legal. This group would not be required for day-to-day input but would be represented on the Project Board that is the decision-making group for the project. The Board would be responsible for steering the project and agreeing all major decisions, including the approach, and the detailed documents that underpin it. At this stage it should be acknowledged that there isn’t the capacity or knowledge in house to fully resource this group and additional suitably experienced and senior staff may need to be recruited. This resource would be required during the procurement and set-up stage and on-going once the programme is established and operational. In the longer term income from the programme would cover the additional costs but a short-term provision will need to be made to cover the set up period.
- 4.17 On a day-to-day basis, an operational group would also potentially need to be established. This would involve Operational Staff from the same areas as the Project Board and they would work with the external advisory team on a more intensive basis to develop key documentation, research policy positions and ultimately drive the project day-to-day. This group

would, on average, require approximately 2 days a week, dedicated to the project. These 2 days are likely to be “lumpy” in nature. It will not be required at all for some weeks, but then at other times, whole weeks would be required e.g. during Competitive Dialogue. At this stage it should be acknowledged that there isn’t the capacity or knowledge in house to fully resource this group and additional suitably experienced operational staff may need to be recruited. This resource would be required during the procurement and set-up stage and on-going once the programme is established and operational.

4.18 The project will also require dedicated external advisory support in three main areas:

- Lead Strategic & Financial Advisor;
- Legal; and
- Property Support

These will be crucial appointments and necessary to support the Council in taking forward this major project.

4.19 Further work will be undertaken on cost and resource requirements following the market soundings and check and challenge sessions.

## **5. Reasons for Recommendation**

5.1 The next stage in taking forward the project is to consult with the market. This will assist in testing the appetite of the market for projects of this nature and also in defining the scope of the approach the Council may wish to take forward, and how it can be realised/procured. This will inform how the Council might engage with partners or indeed procure a Joint Venture development partner or investment partner. It will also inform how the Council may take forward self-development projects. As such this next stage of the work is critical in shaping the delivery of the entire programme over future years.

## **6. Consultation**

6.1 A purpose of this report is to seek Committee approval to consult with the market to inform the next stage of project development.

## **7. References to Corporate Plan**

- 7.1 This project directly supports delivery of the Councils Corporate Strategy - Vision for Brentwood 2016-2019 and in particular the following sections:

“We are exploring ways of generating income by maximising returns from our property assets” - paragraph 2 of the introduction.

“Our Borough is a great place to live, work and visit; with strong, healthy and vibrant communities along with a beautiful green environment to enjoy. We want to keep it that way and are working hard to produce a new Local Plan which both protects the essential qualities of the Borough, while at the same time delivering the right mix of housing, jobs, open space and other infrastructure that will be required in the future” - paragraph 3 of the introduction.

“Increase access to the Borough's leisure opportunities” – Environment & Housing Mgt.

“Develop new approaches to grant funding, and the use of community assets” – Community & Health.

“Broaden the range of housing in the Borough to meet the needs of our population now and in the future” – Planning & Licensing

“Consider how Council assets can be utilised to promote sustainable development in the Borough” – Economic Development

The project will indirectly support delivery of the following section of the Corporate Plan:

“Develop new ways of working for the Council, improving service delivery and reducing costs and unnecessary bureaucracy” – Transformation.

The project will achieve this because in securing the project objectives the Council will need to develop new ways to secure project delivery and this could include establishing a formal legal partnership with another organisation, managing the relationship with the partnership, and undertaking trading activity to generate returns from property assets.

## **8. Implications**

### **Financial Implications**

**Name & Title: John Chance, Finance Director**

**Tel & Email: 01277 312 542 [john.chance@brentwood.gov.uk](mailto:john.chance@brentwood.gov.uk)**

- 8.1 More detailed financial implications will be understood and reported to Committee following the conclusion of the market consultation exercise. The Council has made budget provision for this project as part of its transformation and other earmarked reserves.

- 8.2 At this stage and based on the initial work undertaken by EELGA and 31ten consulting the potential additional revenue returns from an Asset Development Programme could be in the order of £2m to £5m per annum dependent upon the details of the programme and the assets utilised in developing it. Professional fees for legal, property, lead strategic/financial and project lead services to advise and support the Council in taking forward an asset development programme are anticipated to be up to £2m - £3m as a one off set-up cost. An estimate of the cost of additional in house resources for any direct project delivery and managing the relationship with a partner will not be possible until the next stage of the project has been developed and the preferred option identified and resource requirements confirmed.
- 8.3 Further work will be undertaken on cost and resource requirements following the market soundings and check and challenge sessions.

**Legal Implications**

**Name & Title: Daniel Toohey, Monitoring Officer**

**Tel & Email: 01277 312 860 daniel.toohey@brentwood.gov.uk**

- 8.4 Several options set out in this report will require compliance with EU procurement regulations including the Public Contracts Regulations 2015, in addition to the Council's Constitution and contract standing orders. Legal Services acting in conjunction with external legal advisers as appropriate will provide advice and assistance throughout. Further detailed comment will be available as specific projects emerge.

9. **Background Papers** (include their location and identify whether any are exempt or protected by copyright)

Please refer to Appendix A.

**10. Appendices to this report**

Appendix A – Assets initially considered

Appendix B - Options

**Report Author Contact Details:**

**Name:** Ray Inns

**Telephone:** 01277 312837

**E-mail:** ray.inns@brentwood.gov.uk

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## Assets Initially Considered

No	Asset Name	No	Asset Name
1	Brentwood Centre	13	Poplars Hall
2	Warley Depot	14	Hutton Poplars Lodge
3	Allens Ford Servicing Area and part of Car Park	15	1-2 Seven Arches Road
4	William Hunter Way	16	Merrymeade House
5	Coptfold Road Car Park	17	Shenfield – Hunters Ave / Friars Ave Car Parks
6	King George's Playing Fields	18	44 High Street
7	Chatham Way Car Park	19	Land adjacent to Alexander Lane
8	Westbury Road Car Park	20	8-12 Crown Street
9	King Edward Road	21	Town Hall
10	The Keys Shopping Parade	22	Garage Sites – Warley Hill Hampden Crescent – adj Tesco
11	Golf Course Depot Site	23	Land adj Tipps Cross Hall
12	Rayleigh Road Shops	24	Maple Close (HRA)

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## Appendix B

### Option 1 – Disposal

Advantages	Disadvantages
Generates low risk early capital receipts	Control over development passes to the developer – delivery?
Limits exposure to development and sales risks associated with private sale elements	Council does not participate in development profit
No complex legal structures required	Council are de-risking elements of the scheme – difficult to ensure they receive commensurate reward
Overage is a potential tool that could be used to try and secure a portion of development uplift – but difficult	Attractive to private sector? – Patient capital / Partnership approach may be more attractive - no up front land purchase?
Majority of risk is borne by the private sector	

### Option 2 – Joint Venture Enabling Partner

Advantages	Disadvantages
Potentially generates additional receipts. Same level of land receipt plus return on equity (coupon / land value uplift)	Time consuming / potentially expensive procurement process to develop partnership structure etc. (OJEU)
Risk transfer on enabling works to the JV with the private sector partner whilst retaining an element of control within an SPV	Council are not guaranteed a level of receipt
Potential to accrue enhanced returns to Council through enabling sites	Council's land is at risk – secured by the bank
Attractive to private sector? – Patient capital / Partnership approach may be more attractive - no up front land purchase?	Larger cashflow requirement up front as land / receipts are delayed
Financial risk is shared – access equity from the private sector. Thus enabling costs of infrastructure / enabling to be shared	While Council has a seat at the table there is a need for Independent governance within the vehicle – Resourcing / governance
Access to commercial / development skills that Council do not have to enable sites	Dependent on strong partnership with your partner
	Council does not participate in development profit, thus limiting returns

### Options 3 & 4 – Joint Venture Partner – Investment & Development

Advantages	Disadvantages
Potentially generates additional receipts. Same level of land receipt plus return on equity (coupon & development profit)	Time consuming / potentially expensive procurement process to develop partnership structure etc.
Significant risk transfer to the private sector partner whilst retaining an element of control within an SPV	Council are not guaranteed a level of receipt to meet its Capital requirements
Enables innovative housing tenure structures / adaptability	Council's land is at risk – secured by the bank
Potential to accrue significant returns to Council over the long term – including long term revenue streams	Larger cashflow requirement up front as land / receipts are delayed
Attractive to private sector? – Patient capital / Partnership approach may be more attractive - no up front land purchase?	While Council has a seat at the table there is a need for Independent governance within the vehicle – Resourcing / governance
Financial risk is shared – access equity from the private sector. Thus enabling costs of infrastructure / enabling to be shared	Dependent on strong partnership with your partner
Access to commercial / development skills that Council do not have	Dependent on finding an appropriate development partner for the spectrum of sites on offer.
Enables a pipeline of development sites with a single partner through one procurement process	

### Option 5 – Hybrid Approach – Preferred Option

Advantages	Disadvantages
Enables Council to self develop the simpler sites and share risk on more complex developments	As sole funder Council has 100% of the financial exposure on the project on self development sites
Enables Council to realise all financial benefits on simpler sites and share reward on more complex sites.	As project and programme manager Council is responsible for managing all risk on self development sites.
Using a 100% owned SPV enables ringfencing of risks, including H&S, Political and sales	Acting outside traditional LA remit – requires correct mix of skills and resources to do so.
Potentially utilising fixed price contracts and specialist development managers can help mitigate risk on self develop sites	Complex legal structuring to mitigate liability – use of subsidiary company structure
All JV Devt advantages also apply for JV sites	A commercial approach is required to drive out the profit required to cross subsidise other schemes. Commercial impact of social objectives must be understood and budgeted.
	All JV Devt disadvantages also apply for JV sites.

## Option 6 – Self Development

Advantages	Disadvantages
Council has complete control over all aspects of development – quality / build / design / tenure	As sole funder Council has 100% of the financial exposure on the project
All financial benefits accrue to the Council. Increases in sales values / cost savings etc. to fund other priorities.	As project and programme manager Council is responsible for managing all risk, including financial – construction, funding. Management, sales and rental, and non financial, political, reputational, health and safety
Decisions to trade off between profit and social benefits at the behest of the Council.	Acting outside traditional LA remit – requires correct mix of skills and resources to do so. This is potentially a significant cost to the Council.
Council own and operate all affordable stock and control other stock. Council can mitigate sales risk by utilising stock for short term tenancies / temp. accom.	Council retains responsibility for the sale of units, not just marketing and final sale but also broader saleability of the scheme as a whole - design / lay out / quality.
Potentially utilising fixed price contracts and specialist development managers can help mitigate risk – challenging?	Complex legal structuring to mitigate liability – use of subsidiary company structures
Using a 100% owned SPV enables ringfencing of risks, including H&S, Political and sales	A commercial approach is required to drive out the profit required to cross subsidise other schemes. Commercial impact of social objectives must be understood and budgeted.

## Option 7 – Do Nothing

Advantages	Disadvantages
The Council retains full control of its property portfolio in its existing state.	The Council doesn't have the resource to develop income from its portfolio.
	The Council doesn't generate revenue income in line with Corporate Plan requirements.

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