

04 July 2017 at 7.00 pm

Conference Room, Argyle Road, Sevenoaks  
Despatched: 26.06.17



# Scrutiny Committee

## Membership:

Chairman, Cllr. Brown; Vice-Chairman, Cllr. London  
Cllrs. Ball, Clack, Hogg, Kitchener, Lindsay, McArthur, Purves, Reay and Searles

## Agenda

There are no fire drills planned. If the fire alarm is activated, which is a continuous siren with a flashing red light, please leave the building immediately, following the fire exit signs.

	Pages	Contact
Apologies for Absence		
1. <b>Minutes</b> To approve the Minutes of the meeting of the Committee held on 30 March 2017, as a correct record.	(Pages 1 - 6)	
2. <b>Declarations of Interest</b> Any declarations not already registered		
3. <b>Responses of the Cabinet to reports of the Scrutiny Committee (if any)</b>		
4. <b>Actions from the last meeting of the Committee</b>	(Pages 7 - 8)	
5. <b>Performance Monitoring</b>	(Pages 9 - 26)	Lee Banks Tel: 01732 227161
6. <b>Questions to the Portfolio Holder for Planning</b>	(Pages 27 - 32)	Cllr. Piper
7. <b>Questions to the Portfolio Holder for Economic &amp; Community Development</b>	(Pages 33 - 34)	Cllr. Hogarth
8. <b>Improvements to Sencio Leisure Centre</b>	(Pages 35 - 56)	Lesley Bowles, Tel: 01732 227335, Adrian Rowbotham Tel: 01732 227153
9. <b>Work Plan</b>	(Pages 57 - 58)	

## EXEMPT INFORMATION

At the time of preparing this agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public.

If you wish to obtain further factual information on any of the agenda items listed above, please contact the named officer prior to the day of the meeting.

Should you need this agenda or any of the reports in a different format, or have any other queries concerning this agenda or the meeting please contact Democratic Services on 01732 227000 or [democratic.services@sevenoaks.gov.uk](mailto:democratic.services@sevenoaks.gov.uk).

**SCRUTINY COMMITTEE**

Minutes of the meeting held on 30 March 2017 commencing at 7.00 pm

Present: Cllr. Brown (Vice Chairman in the Chair)

Cllrs. Ball, Brown, Clack, Hogg, Kitchener, McArthur and Searles

Apologies for absence were received from Cllrs. London, Purves and Reay

Cllrs. Dickins was also present.

32. Minutes

Resolved: That the minutes of the meeting held on 7 February 2017, be agreed and signed by the Chairman as a correct record, subject to Cllr. Lowe being added in attendance.

33. Declarations of Interest

There were none.

34. Responses of the Cabinet to reports of the Scrutiny Committee

There were none.

35. Actions from the last meeting of the Committee

There were none.

36. Pembury Hospital (Maidstone and Tunbridge Wells NHS Trust)

This item had been withdrawn as Angela Gallagher - Chief Operating Officer and Jim Lusby, Deputy Chief Executive Maidstone and Tunbridge Wells NHS Trust, were unavailable to attend the meeting.

37. Questions to the Portfolio Holder for Direct & Trading Services

The Portfolio Holder for Direct & Trading Services presented a report updating the Committee on recent achievements and challenges ahead. Some of the challenges ahead surrounded behavioural changes around recycling, fly tipping and dog fouling. Recent achievements were enforcement action against fly tipping and the other work carried out by the Environmental Enforcement Officer, an extensive maintenance programme had been undertaken on car parks. New refuse freighters would include the slogan 'see you next week'.

The Portfolio Holder responded to Members' questions.

Members were advised that in regards to parking appeals they were still waiting to hear back from the TPT to advise the number of successful appeals. Bradbourne car park would be opening on Monday 10 April 2017 and sales of season tickets were taking place. Petitions that were received by the Sevenoaks Joint Transportation Board (JTB) could take over 1 year to be implemented, unless there were substantial safety concerns where they would then be prioritised. Review of parking restrictions could also be brought to the JTB. Direct Services itself employed more than 100 Members of staff on refuse collection, street cleaning, vehicle maintenance and other cleansing services.

The Portfolio Holder responded to questions informing Members that the introduction of Safer School Parking zones was to strengthen enforcement against those parking inconsiderately around schools. Kent County Council were supportive of the scheme however it was important that the schools were also in support. The Council employed 7 Civil Enforcement Officers, which was a limited resource as they also had to be deployed elsewhere across the District.

When asked about the Pest Control service being brought into profitability, the Portfolio Holder advised that an action plan had been implemented after an informal tender exercise. The service had now fully covered its costs for the last two years.

In response to questions Members were advised that the CCTV control room would not be expanding however two awards had been won and one of them was for the innovation of joint partnership working. Unless Members were minded to change the way the service was provided then a manned CCTV control room would continue. The CCTV control room was maintained within budget and there were no recuperation costs from the Police, only for airwaves and streaming costs.

Members asked questions about the dog fouling initiative. The Portfolio Holder advised that DNA of the dogs would be stored and therefore dog fouling samples could be traceable to the owners. Dog fouling was a reputational issue and could have significant health issue for residents. Although the scheme would not completely solve the problem, by tracing the owners and fining them it could improve the perception of the Council's efforts and provide value for money.

When asked about the profitability of Direct Services, the Portfolio Holder advised that Direct Services should return a surplus of approximately £200,000 in 2016/17; that the garden waste service provided over £400,000 worth of income and services such as trade waste collection and cesspool emptying returned a net surplus. In response to further questions in regards to parking, Members were informed that there was no formal way of logging parking problems on the website, apart from reporting abandoned vehicles. Contact details for the parking team were available, and they should be contacted with parking problems.

In response to a question Members were advised that Oriental chestnut gall wasp issues continued. Costs to date were at £60,000 however some of the expenditure would be reclaimed from Timber sales, unfortunately the infestation had already

spread to neighbouring sites. The Chestnut trees that had been coppiced would grow again. The Portfolio Holder advised that information regarding Night Flights in connection with Gatwick airport would be circulated.

*Action 1: Night Flights consultation response be circulated.*

Members thanked Cllr. Dickins for his attendance.

38. Chairman's Annual Report to Council

The Chairman introduced the draft Annual Report to be presented to the Council meeting on 25 April 2017. The report summarised the Committees' work plan which had focussed at each meeting on inviting the Portfolio Holders to discuss areas of focus or challenge and setting up In-Depth Scrutiny Working Group. Members noted that under external Invitees for this meeting, Angela Gallagher, Chief Operating Officer - Pembury Hospital (Maidstone and Tunbridge Wells NHS Trust) would be removed.

Resolved: That the report be commended to Council

39. Final Report from the Property Investment Strategy In-Depth Scrutiny Working Group

Cllr. Clack presented the report of the Property Investment Strategy In-Depth Working Group that considered whether the benefits of the Council's Property Investment Strategy outweighed the risks. The report detailed the summary of work that had been carried out by the working group including speaking with Ashford Borough Council, a case study on Suffolk House and speaking to the Leader. Conclusions of the working group and the recommendations were discussed including communication to Members, the professionalism and competence of Officers, self-sufficiency plus and affordable housing.

In response to questions Members were advised that Savills had been appointed as the Investment Advisors and would notify the Council if a property was coming up for sale. A Property Investment Strategy Update had been looked at by the Policy & Performance Advisory Committee and Finance Advisory Committee before going to Council on 25 April 2017 which was requesting that a further £25m be sought from external borrowing.

Members discussed 'self-sufficiency plus' and how this could work through Quercus 7. It was also discussed how information could be shared regarding purchases and how the Scrutiny Committee could be kept informed on individual properties performance, it was discussed that the performance monitoring should include information on the strategy. Members discussed the suggested recommendations to Cabinet.

The Chairman moved that recommendation within the report subject to the amendment of recommendation '(d) to explore possibilities of self-financing affordable housing and shared-ownership projects to help the less wealthy within the District' be amended to 'to explore the advantages and disadvantages of self

financing affordable housing and shared ownership projects to help the less wealthy within the District’.

The motion was put to the vote and it was:

Resolved: That it be recommended to Cabinet that

- a) there be improved on-going communication with Members on progress with the exiting portfolio, the financial viability and returns being achieved, and details of new investments (as soon as it is appropriate to make Members aware);
- b) a single location be accessible to Members where all relevant information can be maintained and updated;
- c) in any month a purchase is made, an update be provided to Members, by the end of the same month (or within seven days, whichever is the latter) with details of the cost, source of financing and projected income; and
- d) the advantages and disadvantages of self financing affordable housing and shared ownership projects to help the less wealthy within the District be explored.

40. Update on Sencio

The Chief Officer for Communities and Businesses informed Members that since the Leisure in-depth Scrutiny Working Group, Cabinet had referred the conclusions to Housing and Health Advisory Committee who agreed a reduction in management fees went through the budget process. Sencio were pursuing improved health and leisure facilities due to the unmet latent demand for fitness in Sevenoaks. A report has been presented to Housing & Health Advisory Committee, Finance Advisory Committee and Cabinet asking whether Cabinet agree that Sencio be granted a loan of £600,000 over ten years at an interest rate of 6% per annum under agreed terms which would protect the Council.

The Chief Officer for Communities and Business confirmed that the loan would be paid to Sencio in instalments on receipt of the invoices and the interest would be accrued from the date of each payment. Terms of the loan agreement were being worked on by Officers now that Sencio had the full specification of works. Members were advised that the Council had carried out their own demand survey and the results were reassuring to show that the demand was there. The Chief Officer for Communities and Business reminded Members that Sencio was a not-for-profit leisure trust and therefore any profit would go into the upkeep of the building.

Members discussed the information provided and agreed that a report should be brought back to the summer meeting to cover the financial risks to the Council with the trading history and future performance of Sencio. The report should also

cover how the payment of the loan would be affected if the management fee the council paid was removed.

Resolved: That a report be brought to the summer meeting.

41. Work Plan

Members discussed the work plan and it was agreed to move the Portfolio Holder for Legal and Democratic Services to the meeting held on 31 October 2017.

42. Performance Monitoring

The Chief Officer for Corporate Services introduced a report which summarised performance across the Council to the end of February 2017. Members were asked to consider 7 performance indicators which were performing 10% or more below their target with a commentary from Officers explaining the reason and detailing any plans to improve performance. If actions taken were not deemed sufficient, the report recommended referring those indicators to Cabinet for further assessment. The report also provided key performance indicators relating to the Portfolio Holder invited to the Scrutiny Committee meeting.

A Member expressed concern that the average number of days it took to process new housing benefits applications was still high. Members were advised that the figure was a significant improvement and it was going in the right direction. Members requested that the commentary be made clear to explain that the as soon as the information is received from the applicant the timing for processing the application starts, this includes the occasions when Officers had to go back to the applicants to ask for further information.

Members requested clarification be sent regarding the percentage of appeals against planning application refusal dismissed.

*Action 2: Chief Officer for Planning provide further clarification on how the percentage of appeals against planning application refusal dismissed related to actual numbers.*

Resolved: That the report be noted.

THE MEETING WAS CONCLUDED AT 9.05 PM

CHAIRMAN

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ACTIONS FROM THE MEETING HELD ON 30.3.17			
Action	Description	Status and last updated	Contact Officer
ACTION 1	Night Flights consultation response be circulated.	The response was circulated by email to Members of the Committee on 13.4.17	Simon Taylor Ext. 7134 Charlotte Sinclair Ext. 7165
ACTION 2	Chief Officer for Planning provide further clarification on how the percentage of appeals against planning application refusal dismissed related to actual numbers.	Details of appeal figures are detailed in the report provided by the Portfolio Holder For Planning under agenda item 6.	Richard Morris Ext. 7268

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## PERFORMANCE REPORT

### Scrutiny Committee - 4 July 2017

Report of                      Chief Executive

Status:                        For Information

Key Decision:                No

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**This report supports the Council Promise to provide value for money**

**Portfolio Holder**        Cllr. Peter Fleming

**Contact Officer**        Lee Banks (Ext. 7161)

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#### **Recommendation to Scrutiny Committee:**

- (a) Members note the contents of the report; and
- (b) If Members are dissatisfied by actions being taken to improve performance by either Officers, Advisory Committee or Cabinet, they consider areas of underperformance for scrutiny.

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**Reason for recommendation:** To ensure that areas of under performance within services are considered and reviewed by Members.

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#### **Introduction and Background**

- 1        Scrutiny Committee have requested a regular update at each of their meetings of any performance indicators which are not meeting their target level. Attached to this short introduction paper is an exceptions report with a commentary from officers explaining the reasons why performance is not within 10% of target and detailing any actions the service is planning to take to improve performance levels.

#### **Performance Overview**

- 2        The table on the following page summarises performance levels as at the end of May 2017.

	Current Month	Year To Date
<b>Red</b> <i>10% or more below target</i>	7 (15.2%)	8 (17.4%)
<b>Amber</b> <i>Less than 10% below target</i>	4 (8.7%)	5 (10.9%)
<b>Green</b> <i>At or above target</i>	35 (76.1%)	33 (71.7%)

- 3 Provided as Appendix A to this report are details of the eight indicators where performance is 'Red' and missing the target level by 10% or more.

### Portfolio Holder Performance Reports

- 4 At the Scrutiny Committee meeting held on 14 July 2015 it was resolved for 'Officers to provide key performance indicators relevant to the Portfolio Holders invited to the Scrutiny Committee at each meeting'. The following performance reports are provided as appendices to this report:
- Appendix B - Planning Portfolio performance report
  - Appendix C - Economic and Community Development Portfolio performance report
- 5 Where performance is 'red' and missing the target level by 10% or more Officers have provided a commentary for Members consideration.

### Other Options Considered and/or Rejected

- 6 None.

### Key Implications

#### Financial

- 7 Effective performance management monitoring arrangements will assist the Council in diverting resources to areas or services where it is considered to be a greater priority.

#### Legal Implications and Risk Assessment Statement.

- 8 Robust arrangements are in place to ensure that the risk of inaccurate data being reported to Members is minimised and assurance can be placed on the accuracy of data used to assess performance. By reporting to Members and ensuring all Members are able to access the Council's performance management system the risk of poor performance not being identified or addressed is minimised.

Equality Impacts

- 9 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

**Conclusions**

- 10 This report to Members summarises performance across the Council with data that was available at the end of May 2017. Members are asked to consider eight performance indicators which are performing 10% or more below their target and if the actions being taken by officers are not deemed sufficient are recommended to refer those indicators to the Cabinet for further assessment.

**Appendices**

Appendix A - Exceptions Report

Appendix B - Planning Portfolio performance report

Appendix C - Economic and Community Development Portfolio performance report

**Background Papers:**




None

**Dr Pav Ramewal  
Chief Executive**


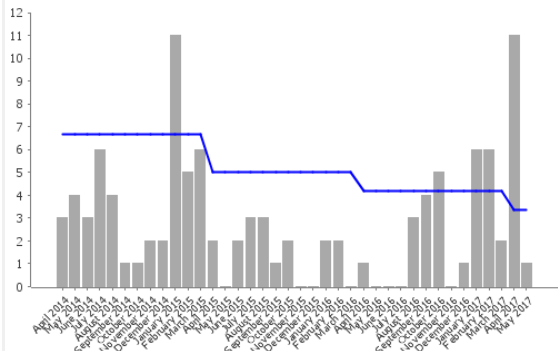

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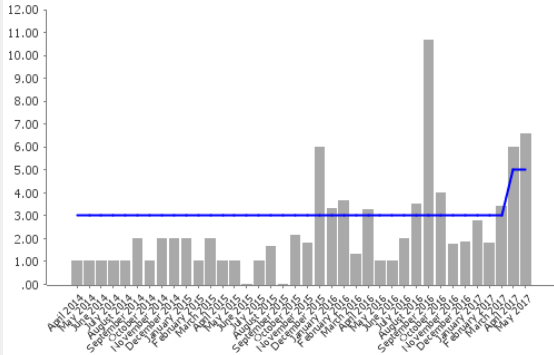

## Scrutiny Committee – Exceptions Report

Key:


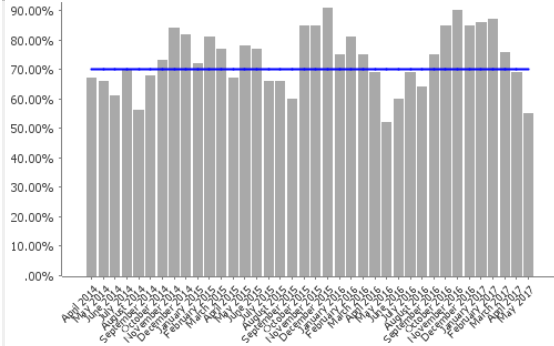


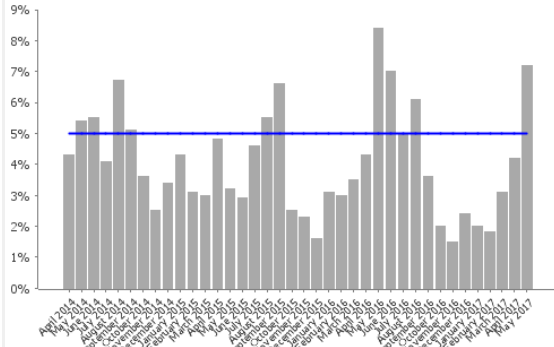

Status	Colour	Details
	Green	At or above target
	Amber	Less than 10% below target
	Red	10% or more below target

Page 13


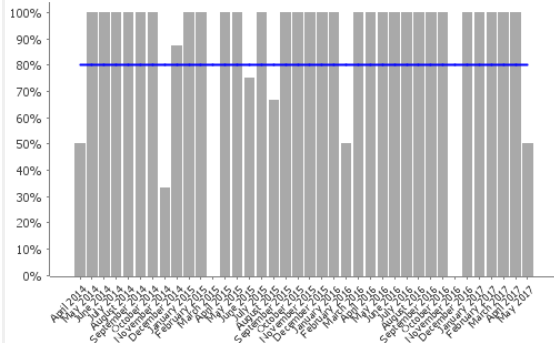

Code	Short Name	Current Value	Current Target	Current Status	Performance Chart	Cumulative (Year to Date) Performance			Latest Note
						2017/18			
						Value	Target	Status	
LPI_DS Clean 001	Number of justified Street Cleaning complaints	1	3			12	7		Sickness absence of the street cleansing supervisor and the charge hand since the beginning of this financial year has impacted upon performance. Both posts are now vacant and recruitment of a new supervisor is underway. In the meantime the acting charge-hand is receiving additional support from experienced colleagues. Once new staff are in post it is expected that improved performance levels will be sustained.

						Cumulative (Year to Date) Performance			
Code	Short Name	Current Value	Current Target	Current Status	Performance Chart	2017/18			Latest Note
						Value	Target	Status	
LPI_DS Jan 2018 Page 14	Average number of days taken to remove abandoned vehicles	6.56	5.00			6.28	5.00		<p>While Direct Services identifies if a reported vehicle is abandoned (no keeper) and instigates removal, the physical clearance is arranged through a KCC county-wide contract. To the end of May 46 vehicles had been reported to the Council as abandoned and after investigation 11 were required to be removed.</p> <p>KCC's contractor has taken an unusually long time to clear a small number of the reported vehicles and this has impacted upon the average number of days until removal. This underperformance has been taken up with the service provider.</p>


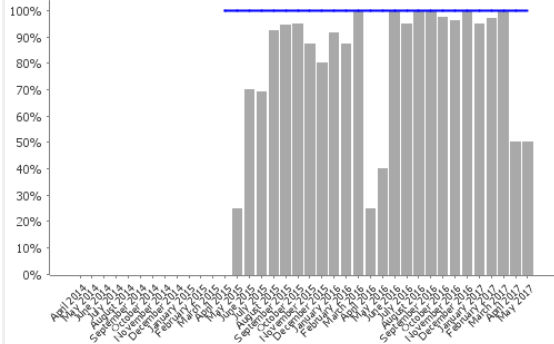




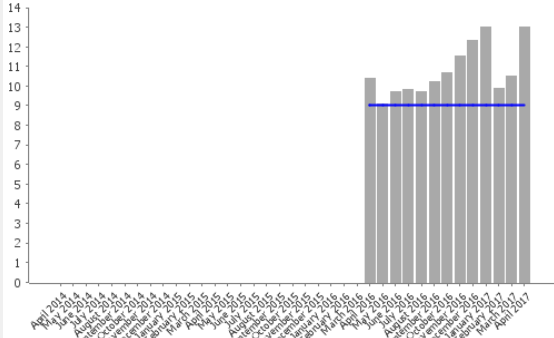

						Cumulative (Year to Date) Performance				
Code	Short Name	Current Value	Current Target	Current Status	Performance Chart	2017/18			Latest Note	
						Value	Target	Status		
LPI_CS001	Percentage of phone calls answered within 20 seconds by the Contact Centre	55.00%	70.00%			62.00%	70.00%		<p>During April and May this year the Customer Services team received 19,841 calls. Of which 12,300 were answered within 20 seconds and 1,130 were abandoned.</p> <p>The team currently has two vacant posts and one member of staff experiencing long term sickness. This has contributed to performance targets not being achieved.</p>	
Page 15 LPI_CS002	Percentage of phone calls to the Contact Centre abandoned by the caller	7.2%	5%			5.7%	5%		<p>To ensure performance improves the service is actively seeking to recruit to its vacant posts and has carried out a team re-structure to balance out skills and re-assign resource to high demand calls.</p> <p>Temporary staff have recently been appointed and it is anticipated that performance will return to normal levels in the coming months.</p>	


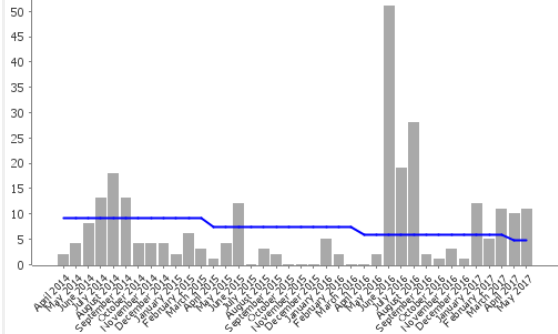

LPI\_D M007a

						Cumulative (Year to Date) Performance			Latest Note
Code	Short Name	Current Value	Current Target	Current Status	Performance Chart	2017/18			
						Value	Target	Status	
LPI_D M007a	Processing of planning applications: Major applications in 13 weeks	50.00%	80.00%			66.67%	80.00%		<p>During April and May there have been three decisions taken on major planning applications, two of which were made within the 13 week target.</p> <p>At this early point in the year it is anticipated that the outturn will be improved. However it should be noted that due to the small numbers of applications that fall into this category performance levels are particularly sensitive.</p> <p>Whilst the service continues to seek discretionary extensions of time to enable the full consideration of the application this isn't always achieved. Officers are aware and reminded of the need to ensure that all applications are determined expeditiously.</p>


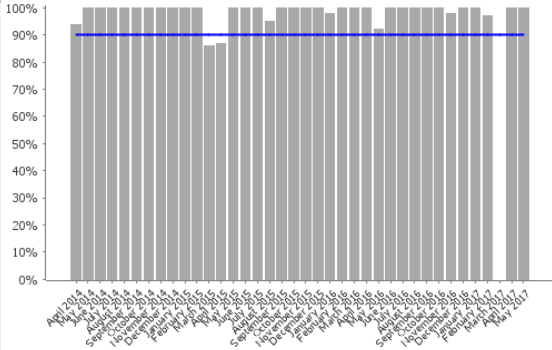


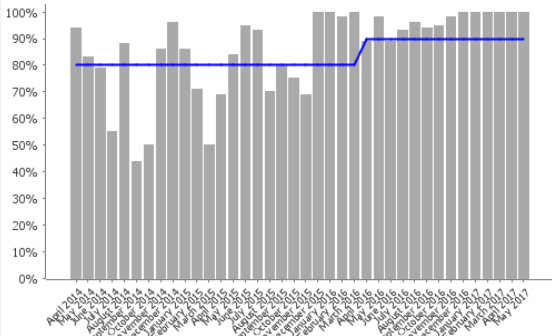

LPI\_EH 004


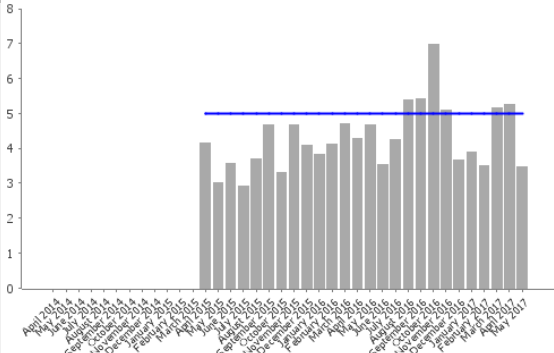


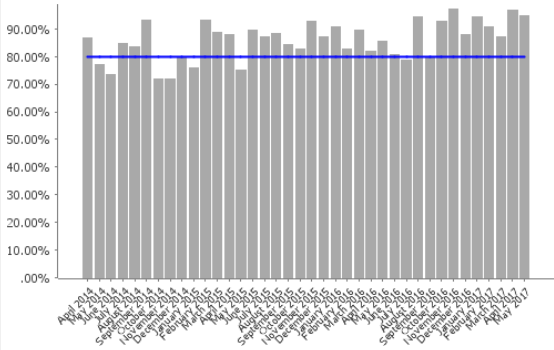

LPI_EH 004	Percentage of higher risk food inspections due that was done (higher risk is categories A & B)	50%	100%			50%	100%		<p>Four higher risk food inspections were initially programmed in the first two months of the year of which two have been completed.</p> <p>The remaining two inspections have been rearranged for the coming month and it is expected that performance targets will be met for the year.</p>
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						Cumulative (Year to Date) Performance			
Code	Short Name	Current Value	Current Target	Current Status	Performance Chart	2017/18			Latest Note
						Value	Target	Status	
Page 17 6	HB Average number of days to process changes to housing benefit	13	9			13	9		<p>The average time to process is measured in calendar days, rounded to the nearest day, and the clock for measuring performance against this indicator starts on the day the change is reported - and continues even when missing information is being requested from the claimant.</p> <p>The number of changes outstanding is currently 457 and of these, 305 (67%) are awaiting further information from the customer before the change can be processed.</p> <p>There has been a concentrated effort over the past three months to improve speed of processing times for new claims and due to the progress made, this has resulted in this performance indicator not appearing on the exceptions report. The aim is now to focus on reducing the number of changes outstanding and further improve the average speed of processing for this indicator.</p>

						Cumulative (Year to Date) Performance			Latest Note
Code	Short Name	Current Value	Current Target	Current Status	Performance Chart	2017/18			
						Value	Target	Status	
LPI_DS Waste 004	Number of missed green waste collections	11	5			21	10		<p>An increasing customer base and good growing conditions have put greater pressure upon the collection rounds.</p> <p>Employee performance and round efficiency issues are being addressed to help improve overall performance.</p>

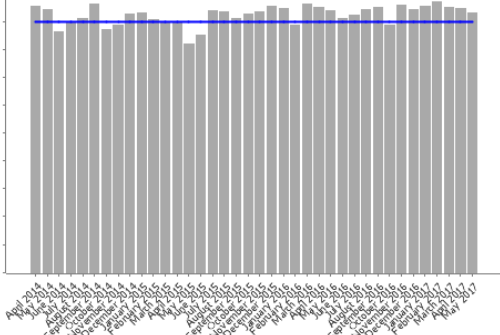
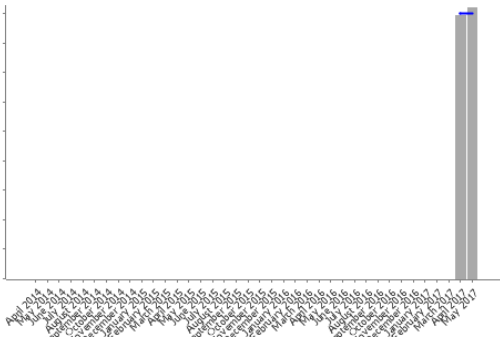
## Scrutiny Committee – Planning performance report


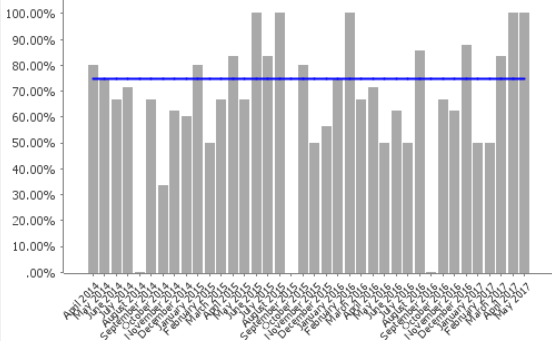


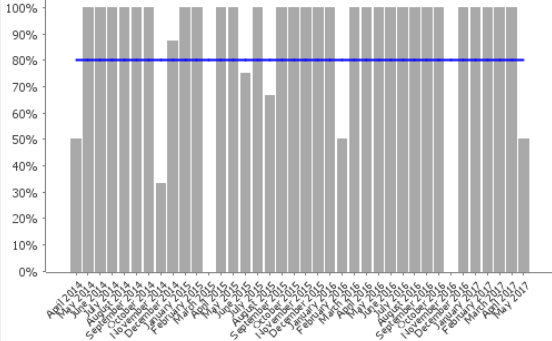

						Cumulative (Year to Date) Performance				
Code	Short Name	Current Value	Current Target	Current Status	Performance Chart	2017/18			Latest Note	
						Value	Target	Status		
LPI_B C 001	Percentage of full plans / Building Notices acknowledged within 3 working days	100%	90%			100%	90%			
LPI_B C 002	Percentage of full plans checked within 10 working days	100%	90%			100%	90%			

						Cumulative (Year to Date) Performance			
Code	Short Name	Current Value	Current Target	Current Status	Performance Chart	2017/18			Latest Note
						Value	Target	Status	
LPI_DM001a	Average number of days taken to validate a planning application	3.47	5			4.36	5		
LPI_DM007b	Processing of planning applications: Minor applications in 8 weeks	94.74%	80%			95.59%	80%		

Page 20


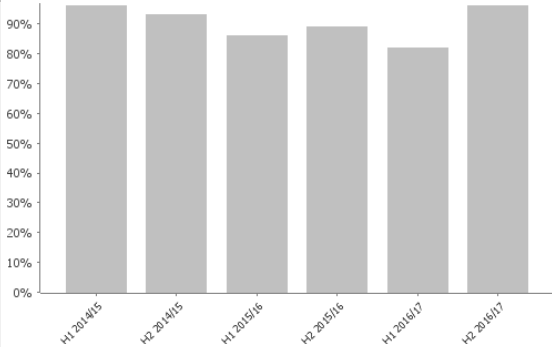

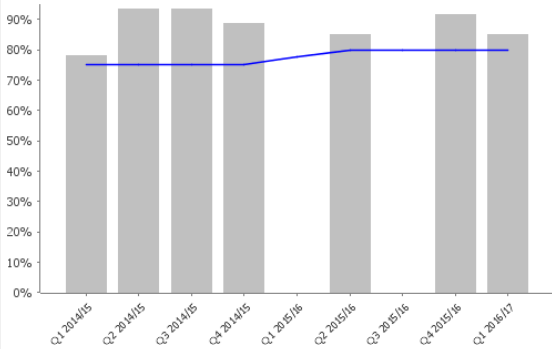
Agenda item 3


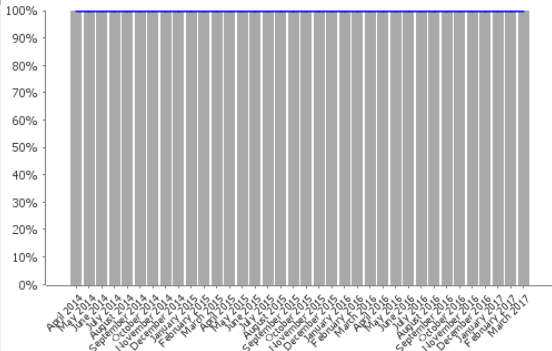


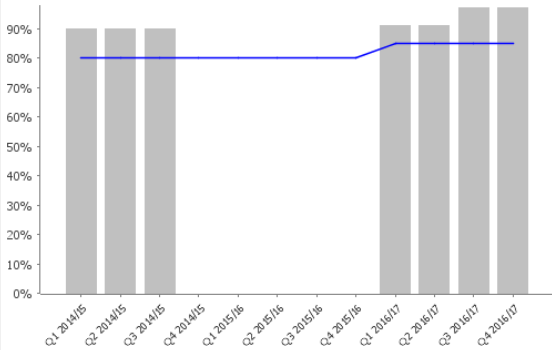
						Cumulative (Year to Date) Performance			
Code	Short Name	Current Value	Current Target	Current Status	Performance Chart	2017/18			Latest Note
						Value	Target	Status	
LPI_D M 007c	Processing of planning applications: Other applications in 8 weeks	93.04%	90%	✓		93.66%	90%	✓	
Page 21 of 27 LPI_D M 007d	Processing planning applications: Householder applications in 8 weeks	91.96%	90%	✓		90.73%	90%	✓	


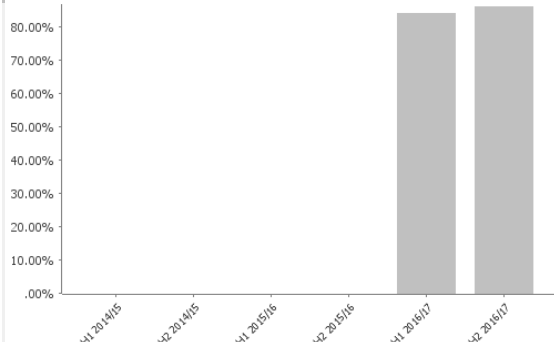
						Cumulative (Year to Date) Performance			Latest Note
Code	Short Name	Current Value	Current Target	Current Status	Performance Chart	2017/18			
						Value	Target	Status	
LPI_D M 009	Percentage of appeals against planning application refusal dismissed	100%	75%			100%	75%		
LPI_D M 007a	Processing of planning applications: Major applications in 13 weeks	50%	80%			66.67%	80%		<p>During April and May there have been three decisions taken on major planning applications, two of which were made within the 13 week target.</p> <p>At this early point in the year it is anticipated that the outturn will be improved. However it should be noted that due to the small numbers of applications that fall into this category performance levels are particularly sensitive.</p> <p>Whilst the service continues to seek discretionary extensions of time to enable the full consideration of the application this isn't always achieved. Officers are aware and reminded of the need to ensure that all applications are determined expeditiously.</p>



## Scrutiny Committee – Economic &amp; Community Development performance report

						Cumulative (Year to Date) Performance			
Code	Short Name	Current Value	Current Target	Current Status	Performance Chart	2017/18			Latest Note
						Value	Target	Status	
LPI_C D 001	Percentage of Community Safety Partnership actions achieved	96%	85%			N/A	85%		Performance is updated every six months and will next be available from mid October.
LPI_C D 004	Percentage of performance of organisations awarded grants on target	89.3%	80%			N/A	80%		Performance is updated every quarter and will next be available from mid July.

						Cumulative (Year to Date) Performance			Latest Note
Code	Short Name	Current Value	Current Target	Current Status	Performance Chart	2017/18			
						Value	Target	Status	
LPI_C D 005	Percentage of responses to reports of Anti Social Behaviour within 25 working days	100%	100%			100%	100%		
LPI_C D 006	Percentage of actions in the Sustainable Community Action Plan achieved	97%	85%			N/A	85%		Performance is updated every quarter and will next be available from mid July.

						Cumulative (Year to Date) Performance				
Code	Short Name	Current Value	Current Target	Current Status	Performance Chart	2017/18			Latest Note	
						Value	Target	Status		
LPI_C D 013	Percentage of actions in the Economic Development Action Plan achieved	86.00%	80.00%			N/A	80%		Performance is updated every six months and will next be available from mid October.	

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## **Planning Portfolio – Report to Scrutiny Committee (4<sup>th</sup> July 2017)**

It is only 6 months since I last reported to you so the themes of the report are similar.

### **1 Planning Applications and Appeals**

The District Council's Planning Department is the busiest in Kent, with 2191 planning applications received in the year to December 2016. The next highest was Canterbury with 1,800 applications, Maidstone with 1,795 applications and Tunbridge Wells with 1,761 applications. Dartford received 764 and Gravesham 769. The District Council also grants the lowest number of planning applications (81%) whereas Ashford grants 95% and Tonbridge and Malling 90%. Normally 88% of applications are approved.

100% of major applications are determined within the required 13 weeks. 88% of minor applications are determined within 8 weeks, which are some of the best results in the country.

Appeals dismissed are below the 75% target at 65% in 2016. Detailed analysis of those that are allowed has not revealed any particular trends or weaknesses in our existing Planning Policy, but there were only 82 appeals which is only 4% of applications. Successful appeals were under 30.

Case officer turnover remains high in the last 12-18 months. Reasons for leaving are varied, from moving closer to home, leaving for the private sector, or wanting to take on a new challenge after serving here for a number of years. Replacing experienced planning officers is still difficult, particularly in Enforcement.

### **2 Enforcement**

The effective operation of the planning system depends on our ability to ensure that development is carried out in accordance with planning permission and to enforce, where appropriate, justifiable, proportionate and where it is in the public interest, against development carried out without planning permission. Officers acknowledge that effective planning enforcement is essential to make sure that electors continue to retain confidence in the planning system.

An important tenet of planning enforcement is that it is discretionary. So the approach, over the years, has, rightly, been to negotiate first to see if we can find a mutually acceptable solution rather than undertake formal enforcement action through the service of notices. This approach is valuable and appropriate as many of the complaints that we receive either don't require planning permission, are di

## Agenda Item 6

minimis, or can be resolved through the submission of a planning application or by compliance with planning law or the relevant planning permission.

However over the last few years officers accept that this approach has not been as business like or timely as our customers or members might have liked. A number of enforcement complaints have been left too long before formal action is taken with open ended approaches in an attempt to seek a solution. This has been frustrating to all involved.

I am therefore pleased to advise that planning enforcement is now in transition.

Members will know that the team leader has retired so the service is now directly managed by our Development Manager whilst we recruit. Sadly there have been two attempts to recruit a suitable officer but to no avail. Officers are currently considering the best way forward for this important and integral planning service.

Whilst the management of this small team by the Development Manager is not a long term sustainable solution, as it is clearly taking her away from the wider role that she was appointed to do, it has provided the opportunity to positively review procedures and practices. So for example, whilst we will continue to seek a negotiated solution where appropriate we will ensure that we set reasonable deadlines so that enforcement is more responsive.

We have a new enforcement plan in draft. This now sets out categories of complaint and timescales for site visits. This enables the team to quickly see the most urgent and prioritise accordingly. The plan has been written in plain English, is hopefully more readable and will be available on our website, once it has been adopted through the relevant committee processes.

In addition, by the end of August the new searchable electronic enforcement register will be on our website. This is a register of all relevant enforcement, stop and breach of condition notices, allowing transparency and the ability for customers to self-serve to find out about these notices.

By the end of the year all enforcement work will be documented electronically with the full use of our software system to record actions and interactions with customers and complainants, decisions and reasons for those decisions. This will mean that all planning officers will be able to see where we are in any enforcement case.

### **3 Building Control**

The Building Control service is a Partnership with Tonbridge and Malling Borough Council.

Following the resignation of the Head of Parking and Surveying Services (Kevin Tomsett), the Building Control Partnership Manager (Joe Brooks) and one of the two Building Control Team Leaders (Jenny Nash), the function has been understaffed for the past few months. The Team Leader post has now been filled following an internal promotion, however that in turn has created a vacant Building Control surveyor post.

The other team leader (Richard Alfieri) is currently acting up to the Partnership Manager role, which has brought some stability to the service, and reassurance to the remaining officers.

Building Control posts have been difficult to fill due to competition from the private sector (Approved Inspectors) and a general shortage of qualified people choosing it as a career. That having been said we are about to go out to advert for the Building Control surveyor post, and out for a second time for a Partnership Manager. If that proves successful we won't need to rely on Jenny and Joe, who are both covering for us on a part time temporary basis. Without their contribution it would have been extremely difficult to deliver the quality of services that our customers have come to expect.

The function is however achieving its fee income targets and the market share remains strong at a little under 70%.

#### **4 The New Local Plan**

As we all know, the current planning policy priority is the preparation of the new Local Plan for the period 2015-35, including planning for housing, retail, employment, infrastructure, recreation and the environment.

The Local Development Scheme (LDS) provides the timetable for the production of the new Local Plan and was agreed by Cabinet in July 2016. In summary it outlines:

- Mid 2017 – evidence base substantially completed
- August 2017 – first public consultation on emerging Issues and Options, being finalised now
- Early 2018 – second public consultation on the draft Local Plan prepared, following Issues and Options
- Late 2018 – submission for examination by Inspector
- 2019 – adoption (likely to be after modifications)

The Planning Advisory Committee and Cabinet will have to agree every stage and Full Council will agree the Local Plan prior to submission.

## Agenda Item 6

Housing numbers remains the key issue. The **Strategic Housing Market Assessment (SHMA)** has been completed and recommends an unconstrained figure of 620 dwellings per year, compared with 165 dwellings under the current plan. This assumes 1% growth in population per year for the next 20 years, but does not take into account the high level of constraints in the District, namely the 93% Green Belt and 61% AONB, which clearly suggests that the final housing target for new homes will be significantly lower, perhaps 6,500 – 8,000. But we can only go where the evidence leads. It is not expected that historical trends in this area will be impacted by Brexit.

The **Strategic Housing Land Availability Assessment (SHLAA)** assesses the amount of land in the District that could be available and suitable for housing development. This work has helped to establish how much of the identified need can be realistically delivered over the plan period. Since advertising a 'call for sites' in Autumn 2015 over 300 sites across the District have been submitted to the Planning Policy team. The "call" remains open.

As would be expected, the bulk of these sites are in the Green Belt.

Since we last met, Arup have completed their assessment of the Green Belt. In their opinion, which SDC has accepted, all areas are performing satisfactorily. There was some debate about areas that were weakly performing but the legal view remains that it is sufficient to meet any 1 of the 5 purposes of the Green Belt.

**ACCORDINGLY, THE NEW LOCAL PLAN WILL BE CLEAR THAT THE GREEN BELT WILL CONTINUE TO BE PROTECTED.**

In order to do so, new housing will need to be accommodated, at higher densities, within existing settlement boundaries (or under the existing rural exceptions sites policy) other than in the following cases:

- Where the development will result in the sustainable re-use of brownfield land in the Green Belt
- Where a convincing 'exceptional circumstances' case can be made in accordance with national policy

This approach is included on SDC's website.

The current exception circumstances cases being monitored and reviewed are Sevenoaks Town Northern Ward/Tarmac, a Westerham Relief Road, an Edenbridge health and education hub and whilst not in the Green Belt, Swanley Town Centre/Hextable.



**Sevenoaks (town) Northern Masterplan** – led by Sevenoaks Town Council, this masterplan has been subject to recent public consultation in May/June 2017. It focuses on community infrastructure and facilities at Bat and Ball in addition to housing and employment and could provide approximately 800 new homes on and around the quarry site to the north of Sevenoaks within the Local Plan period. The masterplan will feed into STC's Neighbourhood Development Plan and could be appropriately reflected in the emerging SDC Local Plan.

**Westerham** – 'Which Way Westerham' proposals are being progressed by the Squerryes estate, which include a relief road to the north-west of the settlement, approximately 600 new homes and environmental improvements. The Squerryes team have recently undertaken local community engagement in May 2017 and submitted supporting information to the District Council which will be made available during the consultation.

**Edenbridge** –there is a Neighbourhood Plan process ongoing although it is not currently considering an exceptional circumstance case. Provision of new health and post-11 education hub is likely to be important if any case were to be made.

**Swanley and Hextable** – Following the February 2017 Cabinet decision to no longer investigate potential for a garden village to the east of Swanley, the focus is now on maximising the supply within the existing settlement boundary, including a consideration of increased density on accessible town-centre sites and potential for regeneration of residential estates. Work on the Hextable Neighbourhood Plan is now continuing and the Local Plan will consider any exceptional circumstance cases arising through this work.

## **5 CIL**

Since we began charging CIL in August 2014, the District Council has collected around £1.2 million (up to 31<sup>st</sup> March 2017). Approximately £360,000 of this has been paid to town/parish councils, as Cabinet agreed in November 2014 to pay Parish and Town Councils 25% of the CIL income, whether they had a Neighbourhood Plan in place or not. There is approximately £800,000 available for the CIL Spending Board. The remaining share (5%) is for the Council's recovery of admin costs, as laid out in the CIL Regulations.

The first CIL Board will meet in September/October 2017 and is chaired by Cllr Edwards-Winsor. In addition, all up-to-date financial figures will be confirmed at the first meeting of the Board.

The District Council is keen to use CIL funds to kick-start infrastructure development in West Kent, by providing top up funding for current projects. We have been provided a list of possible investments, but priorities have yet to be established by key infrastructure providers including KCC, NHS, Defra etc.

### **6 Local List**

The council and Sevenoaks society have worked closely together to prepare a local list of buildings, structures and spaces that positively contribute towards the special townscape of Sevenoaks. The SPD is being finalised, but it will include Article 4 protection so that planning permission will be required to demolish a locally listed building outside a Conservation Area and for demolition and partial demolition of buildings, walls and railings.

### **7 Consultations**

Since my last update to this Committee, the Government released the Housing White Paper, which explored a number of elements including changes to the NPPF, changing the definition of “affordable housing” and Starter Homes. The Housing White Paper was released in February 2017 and the Council has responded to the consultation. Given the recent General Election, it is unclear when the proposals set out in the White Paper will be advanced.

The outcome of the CIL Review was also released at the same time as the White Paper, with a series of recommendations that will need to be considered by Government. It is widely expected that a Government response could be given as early as the Autumn Statement this year.

We have also responded to other consultations including the future of the South Eastern rail franchise and a DfT consultation on Night Flight Restrictions to Gatwick and Heathrow. We will also be responding to a number of other consultations including Phase Two of the Thameslink 2018 timetable in the immediate future.

### **8 The Future**

As for the future, I can only repeat what I said last year. The preparation of the Local Plan and agreement by the Inspector will be challenging. In the words of Sir Michael Fallon “the constraints presented by our large areas of Green Belt and AONB make it impossible for so many houses to be built”.

Economic and Community Development Portfolio Holder report to Scrutiny Committee

1. Working with other Portfolio Holders in the early stages of producing a new **Economic Development Strategy**. Will be running at **Members workshop** at the October meeting of the Economic & Community Development Advisory Committee meeting and all Members are welcome to take part to influence the priorities.
2. Also taking part in work to ensure that Economic and community issues are included in the emerging **Local Plan** policies
3. **One Public Estate** - work has taken place to apply for funding for feasibility studies for joint health and other facilities in Swanley and Sevenoaks towns. This is part of a county-wide bid for funds through the Kent Estates Partnership. The aim is to enable public agencies to make the best use of their estates, joining with others where possible.
4. **Real Business** is the Council's e-newsletter for businesses. It is circulated regularly to our business mailing list. It promotes a variety of funding, skills and networking opportunities for local businesses.
5. We are currently doing a feasibility study into providing a **business hub in Swanley**, the results of which will be known shortly and reported to E&CD
6. We are also awaiting a draft report on the **Edenbridge economy** which has been commissioned in partnership with Edenbridge Town Council and the Edenbridge Economic Development Forum.
7. Employers find it hard to recruit **apprentices** in the District yet there are young people not in education, employment or training who lack the skills to access apprenticeships. Discussions are being had with local colleges to see if the District Council can be a catalyst for bringing the two together.
8. We held a workshop for tourism providers to kick start a **Visitor Economy Study**. This is being taken forward by a local volunteer who will be coming back to the Council with ideas for how this can be progressed.
9. **The Kent and Medway Business Fund** is open for applications from business needing to access loans. It opened on 14<sup>th</sup> June and local businesses are being encouraged to apply.
10. On Community Safety, Officers continue to monitor and enforce where necessary at the **Convent of Mercy in Swanley**. The building is now being used to run a car business. Kent Fire & Rescue have also been involved, as are the Environment Agency.
11. We have a new District Commander. **Ch Inspector Tony Dyer** is standing in for Ch Insp Roscoe Walford who is currently unwell.
12. **Family Fun Days** are being run during the Summer, visiting 20 locations in the District. The **Youth Zone** is also being used by outreach youth services on Monday and Thursday evenings.

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## IMPROVEMENTS TO SEVENOAKS LEISURE CENTRE

### Scrutiny Committee - 4 July 2017

Report of	Chief Officer Communities & Business and Chief Finance Officer
Status	For information
Key Decision	No

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**This report supports the Key Aim of Healthy Communities**

**Portfolio Holder** Cllr. Michelle Lowe, Cllr. John Scholey

**Contact Officers** Lesley Bowles, Ext. 7430, Adrian Rowbotham, Ext. 7153

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#### **Recommendation to Scrutiny Committee:**

To note the report.

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**Reason for recommendation:** At its meeting on 30<sup>th</sup> March, Members asked for a report to be brought back to the Committee covering the financial risks to the Council with the trading history and future performance of Sencio. Members also asked how the repayment of the loan to Sencio for improvements to Sevenoaks Leisure Centre would be affected if the management fee the Council paid were removed.

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#### **Introduction and Background**

- 1 On 9<sup>th</sup> March 2017 Cabinet approved a loan of £600,000 to Sencio Community Leisure to enable Sencio to make improvements to the Sevenoaks Leisure Centre and to increase its capacity. A copy of the report is attached at Appendix A. The loan period agreed was ten years at an interest rate of 6% per annum. In making its decision Cabinet considered the risks involved with the proposal. It was agreed that the works would be recorded by way of Licence for Alterations that would ensure the Council's position as follows:
  - That the improvements will be made to the Council's satisfaction;
  - That the works be carried out in accordance with any statutory requirements, the cost of which need to be met by Sencio prior to any work commencing;
  - Sencio will be responsible for the ongoing maintenance of and repairs to the works covered by the loan;

## Agenda Item 8

- At the end of the current lease in 2029, the Council will not be liable to pay Sencio for the improvements made.
  - In the event that Sencio defaults on its loan repayment for the works, the Council will look to declare Sencio insolvent and thereby in breach of the lease and, subject to the Court's relief, terminate the same. This will be actioned if Sencio makes one loan repayment in excess of 30 days late or three loan repayments in excess of one day late.'
- 2 Cabinet considered a recommendation from Housing & Health Advisory Committee to approve the loan. Housing and Health Advisory Committee made the recommendation taking into account presentations from Sencio and Creatability, the company working with Sencio on the proposed improvements.
  - 3 Cabinet considered a recommendation from Finance Advisory Committee to approve the loan taking into account the conditions set out in paragraph 1 above and noting that the proposed terms would keep the Council protected and the loan would see improvements for Sencio's business and Sevenoaks residents.
  - 4 Cabinet heard from the Chief Finance Officer that he was satisfied that the proposal was financially acceptable.
  - 5 The report to Cabinet included the Leisure In Depth Scrutiny Working Group's findings that the group did not consider that Sencio offered good value to the Council as they had failed to ensure that their income significantly outweighed their operating costs. Also that Scrutiny had recommended that Cabinet review the management and asset management fees paid to Sencio. Cabinet referred this recommendation to Housing and Health Advisory Committee and as a result, a SCIA was put forward for the 2017/18 budget that the management fee should be reduced by £44,000.
  - 6 Cabinet also took into account the business case provided by Sencio, together with their predicted additional income and expenditure over the first five years of operation of the improved facilities.
  - 7 In addition to the £600,000 loan from the District Council, Sencio would also be receiving from Sevenoaks Town Council, the sum of £95,000 towards additional multi-use studio space to offset the loss of the gym at Raleys and which enabled the Town Council to discharge their Section 106 agreement on their planning permission for residential development on the Raleys site. The additional multi-use studio space forms part of this project.

## Financial risks to the Council

- 8 As set out in paragraph 1 above, the conditions of the Licence and Loan Agreement protect the Council against financial risk. If Sencio were to default and become insolvent, the improvements to the Council's leisure centre would enable the Council to procure a replacement provider more easily.
- 9 The Licence and Loan Agreement provide for Sencio to undertake future maintenance of the areas involved, which reduces the need for the Council to maintain these areas.

## Sencio Trading and Future Performance

- 10 Information about Sencio's trading history is shown in the table below. The Chief Executive and Chairman of the Sencio Board will attend the Scrutiny meeting and be able to answer any questions Members have relating to their trading position.

11

Sencio Trading History				
	2013	2014	2015	2016
	£000	£000	£000	£000
Income	4,618	4,893	4,728	4,623
Expenditure	4,613	4,684	4,738	4,622
<b>Surplus/(Deficit)</b>	<b>5</b>	<b>209</b>	<b>(10)</b>	<b>1</b>
<u>Notes:</u>				
Depreciation included in Expenditure	94	118	139	141
Management Fee included in Income	81	81	81	81

- 12 Over these years, a Management Fee of £80,950 has been paid to Sencio. In 2017 the Management Fee payable will be £36,950.

- 13 The following table shows a comparison of the projected trading position for Sencio without the gym extension and with the gym extension.

<b>Sencio Projected Trading position</b>				
	Without Gym Extension		With Gym Extension	
	2018	2019	2018	2019
	£000	£000	£000	£000
Income	5,053	5,157	5,436	5,540
Expenditure	5,052	5,152	5,348	5,450
<b>Surplus / (Deficit)</b>	<b>1</b>	<b>5</b>	<b>88</b>	<b>90</b>
<u>Notes:</u>				
Depreciation included in Expenditure	129	131	230	232
Management Fee included in Income	37	37	37	37
Loan Repayments included in Expenditure	-	-	80	80

- 14 A summary of the investments that Sencio have made to the buildings, equipment and business operation from their annual operating budget over the past few years are set out at Appendix B.

#### **Update on the improvements to Sevenoaks Leisure Centre**

- 15 The Licence for Alterations and Loan Agreement have been drafted by the Council's Legal and Finance teams and are with Sencio. Sencio has issued a letter of intent to Creatability, their contractor. Sencio's solicitor is advising Sencio regarding the JCT contract between Creatability and ensuring the necessary insurances are in place whilst the works are in progress. Arrangements between Sencio and Sevenoaks Town Council for the payment of £95,000 towards the works are being finalised and the funding should be with Sencio by the end of June 2017. Sencio hope that the works will start on 17<sup>th</sup> July. The next edition of In Shape will help to promote the work and Sencio will have a full communications plan in place.



## Key Implications

### Financial

These are dealt with in paragraphs 8 to 14 above.

### Legal Implications and Risk Assessment Statement.

These are covered by the Licence and Loan Agreement.

Risk	Mitigation
That the works to the building may not be done to the Council's satisfaction	The work is covered by a Licence for Alterations, drawn up by the Council's legal team, to be agreed by the Council and Sencio before work commences. The Council's Officer who routinely works with Sencio on the condition of the leisure centres will keep a close eye on the work that is undertaken and attend project meetings. Loan instalments will only be paid upon satisfactory completion of the work.
That Sencio may not be able to repay the loan	<p>Sencio's business plan provides for additional income from the enhanced facility to cover the loan repayments. The business plan is based on latent demand figures that have been independently checked by the Council's adviser. The unmet latent demand is calculated at 700 using industry standard figures. Sencio's business plan is based on a net gain of 513 new members by year 3 of the plan.</p> <p>Sencio have routinely invested in buildings and equipment over the last few years and have paid for these investments from their operating income.</p> <p>The Loan Agreement has been drawn up by the Council's legal and finance teams. Should Sencio default on the loan, the Council would look to have them declared insolvent and find a new provider. This would be the case if Sencio makes one loan repayment in excess of 30 days late or three loan repayments in excess of one day late.</p>
Impact on existing customers	A communications plan will be put in place by Sencio to keep customers informed and to market the new facilities in advance. The works will be phased so that any disruption to users is kept to a minimum.

## Agenda Item 8

### **Equality Assessment**

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

### **Appendices**

Appendix A - Report to 9 March 2017 Cabinet

Appendix B -Summary of Sencio's investments

**Lesley Bowles**  
**Chief Officer Communities & Business**

**Adrian Rowbotham**  
**Chief Finance Officer**

## SEVENOAKS LEISURE CENTRE - APPLICATION FOR A LOAN BY SENCIO COMMUNITY LEISURE

Cabinet - 9 March 2017

Report of Chief Officer - Communities & Business

Status: For Decision

Also considered by: Finance Advisory Committee - 31 January 2017  
Housing & Health Advisory Committee - 28 February 2017

Key Decision: Yes

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**Executive Summary:** Sencio Community Leisure have brought forward plans for works to Sevenoaks Leisure Centre to extend the gym in order to take advantage of unmet latent demand for fitness in Sevenoaks. Members are asked to agree a loan to Sencio of £600,000 over ten years at an interest rate of 6% per annum.

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**This report supports the Key Aim of reducing health inequalities and improving health and wellbeing for all.**

**Portfolio Holder** Cllr. Michelle Lowe, Cllr. John Scholey

**Contact Officer** Simon Davies, Ext. 7374

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### **Recommendation to Finance Advisory Committee:**

That Members recommend to Cabinet that Sencio be granted a loan of £600,000 over ten years at an interest rate of 6% per annum under the terms set out at Paragraph 29.

### **Recommendation to Housing & Health Advisory Committee:**

That Members recommend to Cabinet that Sencio be granted a loan of £600,000 over ten years at an interest rate of 6% per annum under the terms set out at Paragraph 29.

### **Recommendation to: Cabinet:**

- a) That Members agree a loan of £600,000 over ten years to Sencio at an interest rate of 6% per annum and;
  - b) That Members delegate powers to Officers to draft a loan agreement and License for Alteration in accordance with the recommendations set out at
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paragraph 29.

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**Reason for recommendation:** The gym at Sevenoaks Leisure Centre does not currently have sufficient capacity to take advantage of the numbers wishing to use it. The proposed works to Sevenoaks Leisure Centre will allow Sencio to take advantage of unmet latent demand in the town and to make improvements to the building, which is owned by the Council.

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### **Introduction and Background**

- 1 The original Sevenoaks Swimming Centre, which dated from the 1980s, was developed into a leisure centre by the construction of an extension to incorporate a 38 station fitness suite, health suite and a dance studio. The extended leisure centre was opened in February 2001.
- 2 Sencio Community Leisure, a not-for-profit leisure trust, was set up in 2004 and Sevenoaks Leisure Centre, along with Edenbridge and White Oak Leisure Centres and Lullingstone Park Golf Course, was transferred to Sencio on a 25 year lease, which is due to expire in 2029.
- 3 In 2008, Sencio undertook works to Sevenoaks Leisure to increase capacity at the gym. The health suite was removed and replaced by changing rooms and the fitness gym was extended to include 60 stations. The cost of these works was funded by a loan from this Council of £250,000 over ten years. Sencio will finish paying this loan in 2018.
- 4 Over the last few years, the gym at Sevenoaks Leisure Centre has become very busy with customers having to wait to use specific pieces of equipment.
- 5 Sencio's current membership of 2,200 results in a ratio of 37 members per station, which is in excess of the Sports England recommended 25-30 members per station.
- 6 Sencio have been exploring options for extending the number of stations to relieve pressure on stations and to take advantage of latent demand for fitness in the Sevenoaks area.
- 7 Sencio have developed a proposal with Createability, a design and construction company who specialise in leisure refurbishments, for works to extend the refurbish and extend the current gym at Sevenoaks Leisure Centre.
- 8 Sencio are asking Sevenoaks District Council for a loan of £600,000 to fund the building works at Sevenoaks Leisure Centre.

### **Leisure In Depth Scrutiny**

- 9 The Leisure In Depth Scrutiny Working Group considered whether Sencio offered value for money and what areas of cost could be reduced.
- 10 The Working Group considered that there were a number of positive aspects to the provision of leisure services by Sencio. Sencio's management fee had

reduced by 84% between 2004 and 2015, whilst usage had risen by 4.3%. Sencio had made investments to improve the leisure offer in the District and maximise their income. Sencio's Sales Manager had made significant changes to drive up memberships and maximise income. Sencio had undertaken measures to reduce head office and other costs.

- 11 However, taking into account Sencio's efforts to increase its income and reduce its costs, the sub-committee did not consider that Sencio offered good value for money to the Council as they had failed to ensure that their income significantly outweighed their operating costs. Scrutiny Committee on 5 July, resolved that Cabinet review the management and asset management fees paid to Sencio and consider whether the Council could more effectively carry out the outreach element of the Sports Development function while retaining part of the management fee.
- 12 Cabinet, on 15 September 2016, discussed the report and resolved that the report be referred to the Housing and Health Advisory Committee.
- 13 Housing & Health Advisory Committee, on 4 October 2016, resolved that the management and asset management fees paid to Sencio be considered. Subsequently, a reduction in management fees was put forward as a budget saving for 2017/18 onwards.

#### **Proposed Works**

- 14 A copy of Sencio's proposal is set out at Appendix A. Sencio proposes the following works at Sevenoaks Leisure Centre:
  - Conversion of the existing little used toddler pool into a new dance studio/multi-use space with storage.
  - Conversion of redundant spa area into dedicated changing areas - male and female;
  - Conversion of existing changing areas into downstairs fitness gymnasium (free weights/functional);
  - Refurbishment of existing dance studio and new access corridor to new dance studio;
  - Refurbishment of existing fitness gymnasium and disabled change;
  - Refurbishment of first floor corridor to existing fitness gymnasium;
  - Development of new corridor to existing teaching pool;
  - New flooring to reception and catering area;
  - Provision of new fitness equipment (100 stations).

### Latent Demand

- 15 In 2014, SDC commissioned The Sports Consultancy Ltd (SCL) to undertake a business case review for the extension of the gym at Sevenoaks Leisure Centre.
- 16 The report profiled consumers on a postcode basis and their propensity to join health and fitness clubs. It considered any competing facilities in the catchment area and enabled a detailed estimate of the likely overall membership targets to be defined.
- 17 The study identifies a latent demand for the area of 2,900. Sencio's current gym membership at Sevenoaks Leisure Centre stands at 2,200. The unmet latent demand in the Sevenoaks area is 700.
- 18 Sencio's Business Plan is based on a net gain of 513 new members by year 3 of the plan.

### Project Funding

- 19 The total cost of the building works at Sevenoaks Leisure Centre is £ 681,716 including VAT. Createability guaranteed this price up to December 2016 and indicated that 2% per quarter will need to be added for inflation purposes. Therefore, from January 2017, the total cost of the building work will be £695,350.
- 20 Following the demolition of Raley's gym, the Section 106 planning agreement has identified £95,000 to be made available by Sevenoaks Town Council to support leisure provision elsewhere in the town. The Town Council has confirmed that the £95,000 will be provided towards this project.
- 21 Sencio are asking the Council for a loan of £ 600,000 to fund the building work.
- 22 The cost of new fitness equipment, free weights etc for the gym will be £286,000 excluding VAT. This equipment will be leased and financed by Sencio.
- 23 A summary of the funding for the refurbishment is as follows:

**TOTAL PROJECT COSTS (based on the contract being issued before 31 March 2017)**

	£000
Total cost of building works, inc. VAT	695
Cost of new fitness equipment, exc. VAT	286

<b>TOTAL</b>	<b>981</b>
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#### PROPOSED FUNDING FOR PROJECT

	<b>£000</b>
Cost of equipment leasing to be met by Sencio	286
Sevenoaks Town Council Section 106 funding	95
Requested loan from SDC	600
<b>TOTAL</b>	<b>981</b>

### Key Implications

#### Financial

- 24 The income and expenditure figures included in the cash flow statement show that the additional income from users is more than the annual costs incurred for additional running costs and loan repayments.
- 25 The loan would be issued at an interest rate of 6% per annum to be repaid over 10 years. The interest rate has been set at 6% per annum to ensure that Council funds are achieving the same return as if they had been invested using the Property Investment Strategy. The current average return from Treasury investments is 0.5%.
- 26 The funding for this project will not come from the Council's Property Investment Strategy funds, nor is the project being undertaken as part of the Property Investment Strategy.
- 27 Based on the expected additional income levels, the cost of the works will adequately increase the value of Sevenoaks Leisure Centre.

#### Legal Implications and Risk Assessment Statement.

- 28 Under the terms of their lease, Sencio will need consent from this Council as the landlord for any alterations or additions in relation to activities consistent with the Permitted Use of the building as a leisure centre.
- 29 The agreed works will be recorded by way of a Licence for Alterations. The Licence will set out the terms for the works, and it is recommended that these will include:
  - That the improvements will be made to the Council's satisfaction;

- That the works be carried out in accordance with any statutory requirements, the cost of which need to be met by Sencio prior to any work commencing;
- Sencio will be responsible for the ongoing maintenance of and repairs to the works covered by the loan;
- At the end of the current lease in 2029, the Council will not be liable to pay Sencio for the improvements made.
- In the event that Sencio defaults on its loan repayment for the works, the Council will look to declare Sencio insolvent and thereby in breach of the lease and, subject to the Court's relief, terminate the same. This will be actioned if Sencio makes one loan repayment in excess of 30 days late or three loan repayments in excess of one day late.

#### Equality Assessment

- 30 Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups. The decisions recommended through this paper directly impact on end users. The impact has been analysed and does not vary between groups of people. The results of this analysis are set out immediately below.
- 31 Health and wellbeing activities at Sevenoaks leisure centre are open to all residents. Some restrictions may apply to certain activities and pieces of equipment in the gym due to age or pregnancy/maternity. The proposed alterations to the leisure centre will allow more capacity for residents to access the service.

#### Safeguarding Children and Vulnerable Adults

- 32 Sencio has robust arrangements in place to safeguard children, young people and vulnerable adults.

#### Community Impact and Outcomes

- 33 The alterations proposed by Sencio will make improvements to the leisure centre.
- 34 The proposed works will provide additional capacity for local residents and community groups to use the leisure centre. Additional capacity at the leisure centre will enable Sencio to better assist community groups and to support health and wellbeing initiatives.
- 35 Officers will produce a communications plan to ensure that members of the public are aware of the improvements.



## **Conclusions**

- 36 Sencio have brought forward proposals for works to Sevenoaks Leisure Centre to take advantage of unmet latent demand in the town. Members are asked to agree a loan of £600,000 for Sencio at an interest rate of 6% per annum, in line with the Council's Property Investment Strategy.

## **Appendices**

Appendix A - Sencio proposal for Sevenoaks Leisure Centre and Business Plan.

## **Background Papers:**

Sevenoaks Leisure Centre Business Case Review  
(Appendix A)

**Lesley Bowles - Chief Office Communities & Business**  
**Adrian Rowbotham - Chief Finance Officer**

**Item 8 - Sevenoaks Leisure Centre - Application for a loan by Sencio Community Leisure**

The attached report was considered by the Finance Advisory Committee on 31 January 2017, and Housing & Health Advisory Committee on 28 February 2017. The relevant Minute extract from Housing & Health Advisory Committee was not available prior to the printing of this agenda and will follow when available, however the minute from Finance Advisory Committee is detailed below:

Finance Advisory Committee - 31 January 2017 (Minute 44)

The Chief Officer Communities and Business presented the report which Sencio have brought forward proposals for works to Sevenoaks Leisure Centre to take advantage of unmet latent demand in the town. Members are asked to agree a 10 year loan of £600,000 for Sencio at an interest rate of 6% per annum, in line with the Council's Property Investment Strategy.

It was noted that the proposed terms would keep the Council protected, and the loan would see improvements for Sencio's business and Sevenoaks residents.

Jane Parish, Chief Executive of Sencio was present and answered more detailed questions on the proposed redevelopment.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That it be recommended to Cabinet that Sencio be granted a loan of £600,000 over ten years at an interest rate of 6% per annum under the terms set out below

'That the agreed works will be recorded by way of a Licence for Alterations. The Licence will set out the terms for the works, and it is recommended that these will include:

- That the improvements will be made to the Council's satisfaction;
- That the works be carried out in accordance with any statutory requirements, the cost of which need to be met by Sencio prior to any work commencing;
- Sencio will be responsible for the ongoing maintenance of and repairs to the works covered by the loan;
- At the end of the current lease in 2029, the Council will not be liable to pay Sencio for the improvements made.
- In the event that Sencio defaults on its loan repayment for the works, the Council will look to declare Sencio insolvent and thereby in breach

of the lease and, subject to the Court's relief, terminate the same.  
This will be actioned if Sencio makes one loan repayment in excess of  
30 days late or three loan repayments in excess of one day late.'

**Item 8 - Sevenoaks Leisure Centre - Application for a loan by Sencio Community Leisure**

The relevant Minute extract from Housing & Health Advisory Committee is below

Housing & Health Advisory Committee - 28 February 2017 (Minute 43)

The Chief Officer Communities and Business introduced the report and the Chief Finance Officer summarised the financial considerations. Members considered the report which outlined Sencio's proposals for works to Sevenoaks Leisure Centre to improve the Centre and take advantage of unmet latent demand in the town. Members were asked to recommend that Cabinet agree a 10 year loan of £600,000 for Sencio at an interest rate of 6% per annum.

The Committee received two presentations, one from Sencio and one from Createability, and Members had the opportunity to ask questions, particularly on the potential disruption to customers and predicted achievement of membership targets.

It was noted that the proposed terms would keep the Council protected, and the loan would see improvements for Sencio's business and Sevenoaks residents.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That it be recommended to Cabinet that Sencio be granted a loan of £600,000 over ten years at an interest rate of 6% per annum under the terms set out below

'That the agreed works will be recorded by way of a Licence for Alterations. The Licence will set out the terms for the works, and it is recommended that these will include:

- That the improvements will be made to the Council's satisfaction;
- That the works be carried out in accordance with any statutory requirements, the cost of which need to be met by Sencio prior to any work commencing;
- Sencio will be responsible for the ongoing maintenance of and repairs to the works covered by the loan;
- At the end of the current lease in 2029, the Council will not be liable to pay Sencio for the improvements made.
- In the event that Sencio defaults on its loan repayment for the works, the Council will look to declare Sencio insolvent and thereby in breach of the lease and, subject to the Court's relief, terminate the same. This will be actioned if Sencio makes one loan repayment in excess of 30 days late or three loan repayments in excess of one day late.'

## SENCIO INVESTMENTS

### INVESTMENTS BUILDING

Sencio employ staff who are multi skilled and by utilising the skills of these staff improvements can be undertaken at much lower costs than by employing external contractors :

- 2013 the free weights area was extended at Sevenoaks by installing new reinforced flooring and new functional training equipment installed £5k
- 2014 the gym at Edenbridge was totally redecorated and new free weights area added -£2.5k
- 2016 the gym was extended at White Oak Leisure by knocking down a wall and new flooring and functional training equipment installed at a cost of £4k
- 2015 new shower , toilet cubicles and vanity units at Sevenoaks - £16k
- 2015 total refurbishment of the TIC at Edenbridge -£10k
- 2014/15 installation of CCTV cameras in all leisure centres - reception and café areas cost of £6.5k
- 2015 refurbishment of the bar area at White Oak to accommodate the Feel Good suite and new meeting rooms/ party rooms - £20k
- Programme of installing new LED lighting -2014-2016 -£12.5k
- July 2016 new vanity units, toilets, ceiling tiles, LED lighting in the changing village at White Oak - £16.5k
- September 2016 -refurbishment of changing cubicles at White Oak -£6.5k
- March 2017 -refurbishment café servery SLC -£1.5k
- March 2017 new murals were painted on the walls of the splash pool at White Oak £1.5k

### INVESTMENTS EQUIPMENT

- 2012 Spinning bikes at Edenbridge and White Oak -£18k
- 2013 all the Cardio vascular machines were replaced at Sevenoaks at a cost of £108k
- 2015 cross trainers and treadmills were replaced at White Oak and Edenbridge at a cost of £57k
- 2016 new free weights installed at Sevenoaks at a cost of £4k
- 2013-2016 Replacement of key equipment at all sites e.g. pool inflatables, gymnastic mats, pool vacs - £70k

**STRATEGIC INVESTMENTS**

As part of the 3 year strategic plan (2014-2017) a number of other key investments were identified and have been implemented:

- Total upgrade and replacement of all IT hardware including servers - £150k
- New front of house system - £22k
- Upgrade of accounts software package and new payroll system -£5k
- New fibre optic line installed at the golf course to the grounds maintenance building to enable installation of new hardware and software for the irrigation system , as well the installation of new intruder/fire alarm -£5.5k
- Refurbishment of some of the bunkers at the golf course - £5k
- New website and rebranding - £15k
- Installation of power assisted exercise machines at White Oak Leisure Centre-£57k
- New grounds maintenance equipment at the golf course e.g. tractor, mowers - £98k
- Café replacement of crockery and new barista coffee machines - £27k

**SUMMARY OF INVESTMENTS**

<b>Building</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>total</b>
gym refurb WOLC and ELC / new flooring /			4	6		4	14
toilets/showers /vanity units SLC						16	16
SLC reinforced floor for free weights				5			5
ELC fitness gym extension and redecs			2.5				2.5
WOLC removal of wall to extend and gym						4	4
refurb TIC office ELC					10		10
CCTV cameras all sites					3.5	3	6.5
refurb bar develop Feel good suite WOLC					20		20
LED lighting programme all sites				3	3.5	6	12.5
Led lighting, vanity units , toilet, showers , ceiling wetside WOLC						16.5	16.5
Changing cubicles WOLC wetside						3.5	3.5
bunker refurbishments LPGC					6.5		6.5
irrigation software LPGC				3			3
Upgrade intruder alarm system LPGC GM buildings					8		8
<b>sub total</b>	<b>-</b>	<b>-</b>	<b>6.5</b>	<b>17</b>	<b>51.5</b>	<b>53</b>	<b>128</b>
<b>Business investments</b>							
Spinning bikes	20	45					65
CV equipment all sites			108		57		165
free weights SLC						4	4
IT upgrade				130	52		182
New website				10			10
feel good equipment WOLC					57		57
GM equipment LPGC			98				98
On going replacement of small equipment items -gym mats/inflatables , pool vacs			15	20	15	20	70
New coffee barrista machines /crockery				18		9	27
Rebranding						5	5
<b>sub total</b>	<b>20</b>	<b>45</b>	<b>221</b>	<b>178</b>	<b>181</b>	<b>38</b>	<b>683</b>
<b>GRAND TOTAL</b>	<b>20</b>	<b>45</b>	<b>228</b>	<b>195</b>	<b>233</b>	<b>91</b>	<b>811</b>

2017 investments

<u>INVESTMENT 2017</u>	
Flumes	50000
Wi-fi	5000
On line payments software	3000
Coffee shop furniture	10000
gym equipment SLC	300000
upgrade intruder alarms	6000
( insurance requirement )	
SLC coffee shop servery refurbishment	1000
Rebranding coffee shops	2000
Spinning bikes	35000

#### 4 ASSET MAINTENANCE

With any buildings the need to replace and refurbish increase the older the buildings get and with the level of spending available on asset maintenance more and more items of plant require replacement as they are at the end of their life .

Over last 2 years, in order to keep facilities operating, Sencio has replaced some items of plant that are the responsibility of the Council as the asset maintenance budget has not been sufficient. In 2015, the total costs of this amounted to £46.7k and in 2016 £40k. The engineers that are employed by Sencio are extremely experienced and have a range of skills that not only Sencio utilises but also the council.

Council will order replacement parts, engineers will fit - eg pumps, thus saving the council on expensive labour costs .

From 2010-2014 we worked with the prison service and Rochester young offenders institute. As part of the rehabilitation programme , redecoration programmes in all sites was undertaken.

The flumes were repaired/relined and pumps replaced in 2017 at a cost of £50k .

#### 5 BUILDING AND PLANT MAINTENANCE



	2014	2015	2016	Total
Building and plant maintenance	£206,268	£238,586	£276,592	£721,446

## **6 FUTURE INVESTMENTS PLANNED**

- Rebranding of coffee shops ( Refresh ) - refurbishment of SLC ( floor included in SLC gym scheme)
- Extending the fitness gym at ELC
- Developing rooms at ELC for alternative uses eg functional training
- Refurbishment of Changing village at SLC
- Refurbishment of Changing village at ELC
- Replacement of fitness equipment at ELC and WOLC
- Development of joint reception /coffee shop at ELC
- Moving greens on 16th / 17th / 18holes LPGC ( in partnership with KCC /Wildlife Trust -Heritage Lottery Fund
- New golf maintenance equipment
- IT - develop parent portal ( swimming lesson) booking app, on line payments, wi fi
- Website - virtual tours
- Developing a Feel Good Suite SLC
- Replacement of AWP ELC

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Scrutiny Committee Work plan

Committee Date	5 July 2016	8 November 2016	7 February 2017	30 March 2017
External Invitees	Moat Housing - Elizabeth Austerberry, Chief Executive West Kent Housing - Deborah White, Housing and Communities Director	Kent Police (Crime & Disorder in the Sevenoaks District) - Chief Inspector Roscoe Walford, Sevenoaks District Commander	Kent County Council (Library Services) - Mike Hill, Cabinet Member for Community Services and James Pearson, Service Improvement Manager of the Libraries, Registration and Archives Service	Pembury Hospital (Maidstone and Tunbridge Wells NHS Trust) - Angela Gallagher, Chief Operating Officer
Scrutiny Committee	Performance Monitoring Roderick Hogarth - Economic and Community Development Tony Searles - Portfolio Holder for Finance	Performance Monitoring Robert Piper - Portfolio Holder for Planning Anna Firth - Portfolio Holder for Legal & Democratic Services	Performance Monitoring Michelle Lowe - Portfolio Holder for Housing & Health Peter Fleming - Leader and Portfolio Holder for Policy & Performance	Performance Monitoring Matthew Dickins - Portfolio Holder for Direct & Trading Services Chairman's annual report to Council
In-Depth Scrutiny	Working Group Leisure - Final Report Stage Five <sup>1</sup> Working Group Property Investment Strategy - Constitution of Group Stage One <sup>1</sup>	Working Group Property Investment Strategy - Update Stages One/Two/Three <sup>1</sup>	Working Group Property Investment Strategy - Update Stages Three/Four <sup>1</sup>	Working Group Property Investment Strategy - Final report Stages Four/Five <sup>1</sup>

Committee Date	4 July 2017	31 October 2017	8 February 2018	24 April 2018
External Invitees		Sencio Leisure	Kent County Council (Highways) - Cabinet Member for Environment and Transport	
Scrutiny Committee	Performance Monitoring Robert Piper - Portfolio Holder for Planning Roddy Hogarth - Portfolio Holder for Economic & Community Development	Performance Monitoring John Scholey - Portfolio Holder for Finance Anna Firth - Portfolio Holder for Legal and Democratic Services		
In-Depth Scrutiny				

<sup>1</sup> For detailed information on stages refer to “A Guide to In-Depth Scrutiny”

Past In-Depth Scrutiny Working Groups

2013/14	
Parking	Cllrs Clark, Cooke, Edwards-Winser, Eyre, Mrs Purves, Raikes (Chairman)
Budget	Cllrs Abraham, Mrs Bracken (Chairman), Butler, Gaywood, Maskell
2014/15	
Leisure	Cllrs. Gaywood, Grint, Mrs. Morris, and Pett (Chairman)
Investment in Property (put on hold)	Cllrs. Brookbank, Davison (Chairman) and Underwood
2015/16	
Leisure	Cllrs. Ball, Brown (Chairman), Clack and Kitchener

Current In-Depth Scrutiny Working Groups

Property Investment	Clack (Chairman), Hogg, Kitchener and Purves
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Possible future areas for In-Depth Scrutiny

Housing - accommodation for vulnerable people

Past External Invitees

2013/14	
21/11/13	Maidstone & Tunbridge Wells NHS (Jayne Black, Director of Operations)
04/02/14	KCC Highways & Transportation (David Brazier, KCC Cabinet Member Transportation & Environment)
02/04/14	Kent Police (Area Commander Chief Superintendent Steve Corbishly and District Commander Chief Inspector Tim Cook)
2014/15	
15/07/14	Citizens Advice Bureaux (Martin Wells and Angela Newey, Chairman and Manager at Sevenoaks & Swanley Citizens Advice Bureau (CAB), and Mike Musgrove and Jill Eyre, Director and Manager at Edenbridge & Westerham CAB)
02/10/14	Sencio Community Leisure (Jane Parish, Chief Executive)
20/11/14	KCC Secondary Schools (Roger Gough, KCC Cabinet Member for Education & Health Reform)
03/02/15	West Kent Clinical Commissioning Group (Ian Ayres, Chief Officer and Accountable Officer)
2015/16	
14/07/15	KCC Primary Schools and Apprenticeships (Margaret Crabtree, KCC Deputy Cabinet Member for Education and Health Reform)
24/11/15	Kent Police (Chief Inspector Roscoe Walford)
23/02/16	KCC Highways (Matthew Balfour, KCC Cabinet Member for Environment and Transport) (Did not attend)
03/05/16	KCC Commercial & Traded Services (Paul Carter CBE, KCC Leader and Cabinet Member for Business Strategy, Audit and Transformation and Commercial and Traded Services)

2016/17	
05/07/16	Moat Housing (Elizabeth Austerberry, Chief Executive)  West Kent Housing (Deborah White, Housing and Communities Director)
08/11/16	Kent Police (Chief Inspector Roscoe Walford)
07/11/16	Kent County Council Library Provision (County Councillor Mike Hill; Cabinet Member for Community Services and James Pearson; Service Improvement Manager of the Libraries, Registration and Archives Service)

Possible External Invitees

Position	Name	Topic