

## **CABINET**

**13 JULY 2015**

Present: Mayor (Chair)  
Councillors D Scudder, S Johnson, I Sharpe, P Taylor and M Watkin

Also present: Councillor N Bell

Officers: Managing Director  
Shared Director of Finance  
Legal and Democratic Section Head  
Property Section Head  
Project Manager, Watford Health Campus  
Senior Communications and Engagement Manager  
Democratic Services Manager

### **1 APOLOGIES FOR ABSENCE**

No apologies were received

### **2 DISCLOSURE OF INTEREST (IF ANY)**

There were no disclosures of interest.

### **3 MINUTES OF PREVIOUS MEETING**

The minutes of the meeting held on 9 March 2015 were submitted and signed.

### **4 CONDUCT OF MEETING**

Councillor Bell spoke on behalf of the Labour Group at this meeting.

The Cabinet agreed some changes to the order of the agenda items.

### **5 SUTTON, GADE AND CHURCH CAR PARK LEASE VARIATION**

A report was received from the Head of Regeneration and Development which proposed a variation to Sutton, Gade and Church car park leases with CitiPark. This would involve extending the 15 year term to 25 years to secure additional investment of approximately £1.4m into the car parks which would increase the total investment from £2.5m to £3.9m. CitiParks would be carrying out extensive refurbishment of the three car parks.

Councillor Sharpe introduced the report and outlined the Council's aspiration to improve satellite car parks. The Council had taken the opportunity to take the car parks back and now had a contract with CitiPark. This would bring the standard of the car parks up to the level of the Intu car parks. Cabinet was asked to agree a change to the leases in order to give CitiParks a greater amount of time and to therefore achieve a higher level of investment. He commented that it was a good balance in order to get transformative investment.

The Mayor described a meeting with CitiPark where they were shown their flagship car park in the Merrion Centre Leeds. The Council had been reassured that they would receive a car park of the same standard.

Councillor Bell commented that the plans were a great improvement and the Council would still receive a good annual rent. He asked whether the parking pads would be in all spaces.

The Programme Manager responded that instead of lines CitiParks would paint squares as it helped people to park and made a better use of the space. In reply to further questions he explained that the works would start on 14 July and the target was to complete by Easter.

RESOLVED:

That Cabinet:

1. agrees to vary the term of the three leases (Sutton, Gade and Church car park) from 15 years to 25 years
2. agrees a rolling break clause from year 10 for Gade Car Park lease
3. agrees to vary the three associated work deeds to include additional repairs and refurbishment
4. delegates to the Property Section Head authority to agree final terms for the necessary legal documents.

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## **UPDATE ON CROXLEY RAIL LINK**

Cabinet received a report of the Head of Regeneration and Development which provided an update on the Croxley Rail Link (CRL) project. The CRL project is a proposed diversion and extension of the Watford branch of the Metropolitan Line to Watford Junction via Watford High Street. New stations would be Cassiobridge and Watford Vicarage Road. Funding had been agreed for the scheme and Watford Borough Council with Hertfordshire County Council would contribute £40.23m. Watford's contribution consisted of £2.59m S106 and capital contribution made in 2014/15. £5.85m to be paid from Community Infrastructure Levy (CIL) receipts or from other sources through to 2031.

The Managing Director explained that the project was still entitled the Croxley Rail Link until the first meeting of the Programme Board had taken

place at the end of July/beginning of August where the new name of Metropolitan Line Extension to Watford would be confirmed.

He continued that the Mayor of London had agreed to deliver the scheme at a higher cost of £284m. A recent letter to the Watford Observer had asked for a Freedom of Information request on the cost of the project. However, all the figures were included in the public report before Cabinet at this meeting. Transport for London (TfL) had guaranteed all the costs for any overruns of the project. The current timetable contained in the report was considered cautious and the expectation was that TfL would be able to deliver the project earlier. The Watford Borough Council role had been to present the economic case to the Department for Transport and to engage developers to lobby for the extension and contribute financially. The Mayor had also been involved in meeting with key decision makers. The Council's financial contribution of £5.85m was set out on page 19 of the report.

The Managing Director praised the County Council's support for the project. The funding gap had been met by Department for Transport and London Underground Limited. The funding for the Watford Borough Council contribution would come from the CIL or other sources. The CRL project had been estimated by economists to contribute £8.3bn to the area in the long term and create new jobs.

Councillor Watkin asked at what point the current Metropolitan Line Station would be closed. The Managing Director responded that they had not received a detailed programme. However, at the first meeting of the Watford Regeneration Board they would start to get confirmation. The transport case alone had not been sufficient to justify the level of investment, it was the jobs and economic regeneration benefits which persuaded the Department of Transport.

In response to a question from Councillor Taylor the Managing Director explained that the £8.3bn was mapped across a range of big projects in the town with a long term outlook of 20 years plus.

Councillor Taylor asked which zones the new stations would come under on the tube map. The Managing Director would take this question to the Regeneration Board and bring back a briefing to Members.

Councillor Bell asked who would be chairing the new Board. The Managing Director responded it would be him along with TfL, the County Council and key stakeholders. The timetable for due diligence was to be completed. The County Council had procured a contract with Taylor Woodrow.

Councillor Sharpe commented that it would be preferable not to lose the current Metropolitan Line Station. However, in the absence of this he hoped that there would be a cross over between stations and no hiatus where Watford was without a Metropolitan Line station. He welcomed the positive timetable and hoped that the project would be delivered on or ahead of time.

RESOLVED

That Cabinet:

1. notes the delivery arrangements for the Croxley Rail Link and agrees the proposed stakeholder project structure and chairing arrangements and delegates attendance at the Board to the Managing Director
2. confirms the Council's long term financial contribution to CRL as set out in paragraph 3.3 of the report.

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## **WATFORD HEALTH CAMPUS, LABV BUSINESS PLAN**

Cabinet received a report from the Managing Director which provided an update on the Local Asset Backed Vehicle (LABV) plan. This plan sets out the aims of the LABV, current master plan and delivery plan and the funding strategy. The first LABV business plan was adopted on incorporation in June 2013.

The business plan in Appendix 1 set out key changes to the 2013 version. These included an increase in housing units from 559 to 750; inclusion of a community garden, inclusion of hospital Staff car park at Cardiff Road; re-provision of WFC car parking and provision of a new public square

Members were also asked to agree the business plan for Industrial Zone South in Appendix 2 of the report. This would be the first main development aside from road construction and would provide the first employment zone. Work would commence in September 2015 for completion in 2016.

The Project Manager, Watford Health Campus gave a presentation to Cabinet to update on the Health Campus. He outlined the progress made to date including detailed planning approval for highway works and hybrid approval achieved for the masterplan. Volkerfitzpatrick had been appointed as the contractor for the new road and construction had started at the beginning of July. The contract was between Volkerfitzpatrick and Watford Health Campus Partnership. Works on the new road were to be completed by October 2016 in seven sections each with a 12 year liability period for defective design. The County had agreed to adopt and maintain the road following completion.

The Project Manager explained that the difference in the budgets between the cost of the road and the funds required was due to the planning applications and preparation of the site. He described that the new business plan in the report showed improved design and use of space. He spoke about the importance of maintaining 35% affordable housing as this was a key project for the town.

The Mayor commented that the deepest concern was that the hospital could not make a commitment due to its current position. However, the hospital had said that they needed the allotment space. The Health Campus was a long term plan over the next 10-15 years.

The Mayor continued that given the recent government announcement that brownfield sites could be built upon without requiring planning permission, residents could be pleased that the Council had already claimed the land in order to provide a new community. The Mayor explained that it was probable that the masterplan would change again depending on circumstances and Members should be prepared for this. She described how the provision of a school would give the community a heart.

Councillor Sharpe commented that the Council had more leverage as it owns the land and is working in partnership with Kier. Private sector owners of the land could have meant that the Council lost control of the site. The Health Campus is a chance to layout a genuine new community.

In response to Councillor Bell's question regarding why the profit level of 14.7% was at the lower end of viability the Project Manager explained that this was due to circa £40m remediation and infrastructure works which affected the land value. The project was split into zones so it was possible to spread the cost. It would depend on the market and uses of the land as to the level of return.

Councillor Bell asked a question relating to the Council's contribution to the project. The Managing Director explained that the Community Infrastructure Levy (CIL) would be funding towards the Croyley Rail Link project. The Project Manager's presentation had shown the Council's contribution to be £3.6m plus a £2m loan to West Herts Hospital Trust (WHHT). The Council would be repaid the loan by the WHHT. From the Council's £3.6m it would be leveraging three times as much which would be a good return.

The Mayor commented that projects stall if the infrastructure and costs are not right. The Council had taken the decision to create a new neighbourhood along with improved infrastructure which would alleviate traffic on Vicarage Road.

Councillor Johnson thanked the Project Manager for his enthusiasm for the project. He asked whether the Project Manger was happy with the phased construction dates. The Project Manager explained that they had ensured that the timescales were not conflicting with other large development projects such as the Croyley Rail Link to minimise disruption within the town. The Council had instructed a respectable contractor with Volkerfitzpatrick and Kier had also scrutinised the dates.

The Mayor thanked the officers for their commitment to the project.

RESOLVED

That Cabinet:

1. approves the 2015 LABV business plan as set out in Appendix 1 and notes the key provisions of the Infrastructure Contract
2. approves the Business Plan for Industrial Zone South as set out in Appendix 2

## **SUMMARY OF THE FINANCIAL OUTTURN 2014/15**

The Director of Finance submitted a report which informed Cabinet of the revenue and capital outturns for 2014/15.

The report had also been considered by Budget Panel at its meeting on the 7 July and the minutes were circulated at the meeting.

Councillor Watkin summarised the Budget Panel meeting. There was recognition that it had been a positive year and that the Council was under-budget and had increased its reserves. The Council had received significant benefits during the year and was in a strong place for the future. In the Capital budget a few projects had moved but it was less than forecast. There had been expenditure on the allotments during the year which had made significant improvements.

The Mayor concluded that being underspent was better than overspent and that the budget had been used to contribute to schemes for the prosperity of the town. She thanked Budget Panel for their work.

Cabinet agreed the carry forwards in the report.

**RESOLVED**

That Cabinet:

1. notes the revenue outturn as summarised at Appendix 1A and supplementary notes at Appendices 1B to 1E and the year end position, which includes the carry forwards as shown in paragraph 2.2 of the report.
2. approves the specific service budgets from 2014/15 to be carried forward into 2015/16 totalling £1.612m as detailed at Appendix 1E.
3. notes the capital outturn as summarised in Appendix 2. This shows the revised budget of £15.149m (which includes £10.164m rephased from 2013/14) and the outturn of £9.503m. The variance of £5.646m has occurred from the rephasing of large scale projects to 2015/16.

## **EXCLUSION OF PRESS & PUBLIC**

**RESOLVED**

that, under Section 100A (4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during consideration of the item there would be disclosure to them of exempt information as defined in Section 100(1) Schedule 12A of the Act for the reasons stated in the report.

**APPROVAL OF STRATEGY FOR WATFORD BUSINESS PARK**

Cabinet received a report from the Head of Regeneration and Development which provided an update on activity since the September 2014 report to Cabinet on Watford Business Park. The report detailed the work of Greenhill Asset Management (GAM) and the next steps in the process of the regeneration of the area.

In response to a question from the Mayor, the Property Section Head explained that the report was Part B due to the commercially sensitive information it contained.

Cabinet discussed the report and the Managing Director and Property Section Head responded to questions.

**RESOLVED**

That Cabinet:

1. agrees that further work be undertaken to progress the latest findings of GAM's latest strategic report which details the various options for implementation.
2. notes the synergies in developing out certain zones within the estate with adjoining land owners (or headlessees) and to authorise the Section Head for Property to explore potential delivery structures for subsequent Cabinet consideration
3. agrees the OJEU procurement process will be initiated to identify a long term partner for a period of up to 10 years to implement the regeneration strategy of the estate including carrying out all estate management functions and to authorise the Section Head for Property to appoint the partner.
4. agrees to GAMs appointment as estate manager being extended until the procurement process and letting of a contract for a long term asset manager as referred to in 3 above has been completed.

Mayor

The Meeting started at 7.00 pm  
and finished at 7.45 pm