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Uttlesford District Council

Chief Executive: Dawn French

SUPPLEMENTARY PACK

Scrutiny Committee: Call In

Date: Thursday, 21st March, 2019

Time: 6.30 pm

Venue: Committee Room - Council Offices, London Road, Saffron Walden,
Essex CB11 4ER

Chairman: Councillor A Dean

Members: Councillors H Asker, G Barker (Vice-Chair), R Chambers, J Davey,
P Davies, S Harris, G LeCount, M Lemon, B Light and E Oliver

GRANT TO CARVER BARRACKS: SUMMARY TIMELINE

PART 1

Open to Public and Press

Grant to Carver Barracks – Summary Timeline

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Timeline of events relating to the grant to Carver Barracks,
including:

- Appendix A – Cabinet report, 10 July 2017
- Appendix B – Minute of Carver Barracks item at Full Council, 25 July 2017
- Appendix C – Agreed Heads of Terms

For information about this meeting please contact Democratic Services

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Carver Barracks - timeline

10 July 2017	<p>Following a couple of years of discussions, a report was taken to Cabinet (Appendix A) setting out the proposal to provide to Carver Barracks the sum of £500,000 for a running track. The only proviso related to the requirement to payback a proportionate sum should the Barracks close earlier than the announced date of 2031.</p> <p>Cabinet agreed with the recommendations in the report.</p>
25 July 2017	<p>At Full Council the matter was discussed again and the decision was ratified. The minutes of the meeting are attached as Appendix B.</p>
26 July 2017 – 1 November 2017	<p>An informal cross-party group, consisting of Cllrs Ranger, Artus, Knight, Dean and Morris assisted by Adrian Webb and Simon Pugh met on a number of occasions to agree the Heads of Terms.</p>
2 November 2017	<p>Heads of Terms agreed by UDC and MOD (Appendix C).</p>
21 December 2017	<p>MOD confirmed that their solicitors would be acting on the drafting of the contract. Reference was made to ‘another issue’ which was being worked through.</p>
January 2018 – April 2018	<p>Various emails sent trying to progress the contract.</p>
2 May 2018	<p>The Council was notified that the grant repayment clause had been escalated to HQ Home Command and Army HQ.</p>
12 July 2018	<p>Advice received that a decision should be with us by the end of July.</p>
3 August 2018	<p>Email received: ‘I’m still not able to provide an update, the Army are unable to instruct me until some high level, strategic business is completed. Due to the nature of the business and its national importance, it’s difficult to be precise’</p>
5 October 2018	<p>Reply was received from Army Infra HQ stating that whilst it would be helpful the removal of the payback clause was not the main issue causing the delay. ‘A national review is being undertaken which includes Carver Barracks within its scope. Following the review, a plan will be formulated which requires ministerial approval to implement; this is expected early next year. It is considered imprudent to embark upon the project immediately prior to a strategic level decision. Whilst it would be disappointing for the funding to be lost, the Army is not willing to commit to a decision it may regret post a ministerial announcement.’</p>

<p>25 February 2019</p>	<p>Confirmation from the officer advising that on 18 February 2019 Army Infra HQ confirmed that;</p> <p>'Army Infra is content for the project to be developed subject to conditions:</p> <ol style="list-style-type: none"> 1. No contingent liability is placed on MOD should it need to withdraw from the agreement due to permanent vacation by the Army before 2031/32 or redevelopment of the area of land in question due to intensified use of the barracks. 2. The project must be deliverable from existing and non-public funding sources (as well as the UDC's contribution). <p>Army Infra went on to acknowledge frustration caused by delay and re-emphasised their reasoning so as not to precipitate action that might contradict a forthcoming ministerial announcement – a risk now considered negligible.</p>
<p>8 March 2019</p>	<p>Councillor Ranger made an Executive Decision to remove the payback clause.</p> <p>This decision replaces the agreed Heads of Terms and means that this will be UDC providing only a grant to the Barracks with the Council having no further role in the project. A request has been sent to the Barracks asking for details of how they will engage with local groups around physical access, access times and charges.</p>

Appendix A

Committee: Cabinet

Date: 10 July 2017

Title: Carver Barracks Running Track

Portfolio Holder: Cllr Ranger

Key decision: Yes

Summary

1. This report recommends to Council that the sum of £500,000 is provided by way of a grant to Carver Barracks to enable match funding for the provision of an eight lane running track. The money would be funded from the Strategic Initiatives Fund.

Recommendation

2. It is recommended that
 - i. Cabinet recommends to Full Council that the sum of £500,000 is given as a grant, with terms as set out in paragraph x.
 - ii. That delegation is given to the Director of Finance and Corporate Services and the Head of Legal, in conjunction with the Portfolio Holder for xxx to agree the terms of the grant.

Financial Implications

3. The funding requested will be drawn from the Strategic Initiatives Fund. There are no other financial implications arising from this report.

Background Papers

4. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

None

Impact

Communication/Consultation	None
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None

Sustainability	None
Ward-specific impacts	Debden and Wimbish
Workforce/Workplace	None

Situation

5. There has been ongoing discussion for a number of years about the provision of a running track at Carver Barracks. The facility would be open to both the Army and the public with the administration and maintenance being undertaken by the Army. To demonstrate the commitment by councillors to the scheme the Council paid for the planning application.
6. An agreement was close to being reached when the Ministry of Defence announced the future closure of Carver Barracks. The date of closure is currently scheduled to be 2031.
7. Lengthy discussions have been held with the Army Estates – Land Management Services as to a way forward to give an element of protection for the Council investment should the facility close early.
8. The only option offered is for a refund of approximately £35,000 for each year that the facility closes using 2031 as the baseline. For example if it closed in 2029 the Council would receive back £70,000 and if it closed in 2025 the refund would be £210,000. Both of these examples assume whole years.
9. Evidence for the need of a running track is contained within the Uttlesford District Council Sports Facilities Development Strategy which had been adopted. The identified current assessed deficiency is stated as “Emerging demand for a specialist athletics facility in the north of the district”. The action to the plan is to “confirm the arrangements for secured community access to the proposed 400m track at Carver Barracks”.
10. In order to secure the matched funding a council decision needs to be made by the end of July. The funding will come from the Strategic Initiatives Fund and is a Cabinet decision. However an undertaking was given that all councillors would be able to vote on the proposal, hence the recommendation to Full Council.
11. If Full Council approve the allocation of funds Officers would work to agree amongst others, right and times of access to the track which would mirror those in place for the other facilities on site.
12. The project will take approximately 22 weeks to complete and therefore the work would be complete by early 2018

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Issues would arise as this would be a non-commercial arrangement and would therefore be based to a large extent on trust.	1 The council has an excellent working relationship with the Army and meets regularly to ensure this	3 The Council investment could be at risk	The council has an excellent working relationship with the Army and meets regularly to ensure this continues. We will document the arrangement with the Army and seek to include a

	continues.		dispute resolution procedure.
Access to the running track is removed earlier than 2031.			Pro-rata refund of monies paid. Potential to add running of the site to the PFI contract
The Barracks start to wind down in anticipation of closure and the Army is unable to manage the facility.	2 As the 2031 date approaches there is a risk the service personnel responsible for the administration of the site will disappear	3 The loss to the community of the facility	The running of the asset could/would transfer to 1Life as part of the PFI contract. This would include any maintenance requirements.
Adequate community access is not provided.	1 this would be set out as part of the initial grant agreement	3 the inability of local groups to access the facility	Assurances are being sought from the Army about the level of community access to be provided. This would form the basis of a more detailed memorandum of understanding about operation of community access. We would seek to protect the Council's position by the inclusion of a dispute resolution mechanism and provision for the Council to end the agreement and secure pro rata return of the grant if adequate community provision was not made.
Maintenance, repair and renewal. The understanding is that maintenance costs will be met by the Army. It is not clear what the position would be if major works were needed and the Army would probably be reluctant to pay for significant work as the date of expiry of the facility approaches.	2 the likelihood increases, as does the amount of work needed, as the closure date approaches	3 the potential loss of the site to users due to poor maintenance, or the requirement for the Council to take on the responsibility	Seek to include a right for the Council to terminate the agreement and secure a pro rata refund if the track is not adequately maintained.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

C32 - CARVER BARRACKS SPORTS PROJECT – RECOMMENDATION FROM THE EXECUTIVE

Councillor S Barker left the room before the consideration of this item and took no part in the discussion or decision.

Councillor Ranger presented and proposed the recommendation of the Cabinet to allocate the sum of £500,000 to Carver Barracks to enable match funding for the provision of an eight lane running track. He said the Council had made a previous commitment to grant this money to the Army as part of a project driven forward by Councillors Knight and Artus intended to strengthen links with the armed forces.

There had been a pause in the process after the Government announced closure of the facility at Carver Barracks by 2031 but the Army was now in a position to confirm the match funding arrangements. The grant would be funded from the Strategic Initiatives Fund.

In the event the facility did close early, a refund of £35,000 would be offered for each complete year the facility was unavailable using 2031 as the baseline. Part 2 of the recommendation related to the terms of the grant. The Cabinet had authorised delegated powers to agree the terms. There would be a two-party agreement with no ongoing costs for maintenance if standards were to slip. Councillor Ranger said that the development of a new running-track facility was in support of a clear vision for a sports strategy and would provide a pocket of excellence within the district. The provision of sports facilities had not kept pace with demand. He expected new sports clubs to spring up to make use of the Carver Barracks facility. The provision of new sports facilities would feature as mitigation in approving future housing developments.

There would be an initial meeting tomorrow to clarify the heads of terms.

Councillor Artus seconded the motion. He said that Councillor Knight had been working on a sports village for some while and he had pursued the project himself during his time as Chairman. It was important to achieve value for money. The MoD had indicated it would sell Carver Barracks by 2031. The Army had in place match funding from the LIBOR fund but this required a funding commitment from the Council to safeguard the money. The MoD had agreed to refund a sum for each year the barracks closed earlier than that date. The running track was a bold concept from which the Army and the community would benefit. It would cost from £6-12m to build from scratch. The Army had committed to using the facility but it would be widely available to local sports clubs at weekends and during evenings. The Army had not turned anyone away and more than 5,000 people had used the existing sporting facilities in the past year.

He urged the Council to support the community covenant for the provision of a joint facility.

Councillor Dean said that he welcomed what he had heard. However, this was the first time a formal proposal had been made to members and the report included very little detail. The evidence needed on which to base a decision was lacking. For example, there was hardly any detail in the report about potential use of the running track. He then proposed the following amendment:

“Council:

1. Notes the request from Cabinet to endorse a grant of £500,000 towards a running track project at Carver Barracks

2. Welcomes the potential opportunity for continued partnership working with the Army at Carver Barracks and to expanding the facilities; it recognises that there would be public benefits were such facilities to be available in the district for use by the public

3. Is not satisfied with the level of completeness of the report that has been put before it to justify the expenditure by Cabinet. In particular, the absence of sound, quantified evidence of public demand and how access to the facility would be managed to maximise the public benefit should be presented in the form of a business plan

4. Therefore requests that Cabinet delays making a grant payment until further evidence has been brought forward for consideration. Council requests that the proposal be reviewed by the scrutiny committee process with the aim of ensuring that a final decision is made by Cabinet against a fully informed and documented case.”

The amendment was seconded by Councillor Loughlin.

Councillor Knight said she reluctantly agreed that the report before members was very poor indeed. It pinpointed the need for more interaction between officers and ward councillors. As for the comment this was the first presentation to members, she said the subject had been done to death. Therefore, whilst accepting Councillor Dean’s criticism, it was necessary to look at the bigger picture. The Army had supplied enough information to enable a decision to be made. If a decision was not forthcoming by the end of the month there was a real risk the project would be lost. She asked members to bite the bullet to enable a jewel in the crown to become reality by not supporting the amendment.

Councillor R Freeman said that he agreed with both of the speakers. The argument had been thinly put together. Councillors deserved a better standard of reporting. The Army was good at organising and the integrity of the people involved was unquestioned but a better quality of information should have been available to members.

Councillor Morris said she hoped the running track would become a reality in the near future. The Council should support the project financially as it was ready to go and deliverable.

The Leader encouraged members to reject the amendment. The proposed facility would confer health and wellbeing advantages that would endure for a long time. The current provision of sports facilities was not good enough to serve the needs of the population. Usage of Carver Barracks was not an issue as 7,000 civilians and 27 clubs were using existing facilities already. The case for the running track was well proven and must now be progressed.

Councillor Loughlin expressed scepticism that 7,000 people from a population base of 85,000 provided good evidence of public demand. A proper business case was first needed to aid members in making the decision. She asked whether it was intended to charge users a facility fee.

Councillor Ranger said the fees structure would be for the Army to decide as it was not our facility.

In response to this comment, Councillor Loughlin asked whether the Council would get any return for the £500,000 investment.

The question was referred to Councillor Artus who stated that the running track would be owned by the Army and they would need revenue to maintain the facility. The Council would have no liability for maintenance. Councillor Knight added that the managing body would operate on a not for profit basis. Councillor Loughlin then asked whether there would be any return on the ratepayers' investment.

The Leader commented that the community would receive considerable benefit from the availability of what would be a spectacular feature of the district, and would have no liability for maintenance costs. The meeting should now vote on whether to proceed.

The amendment was put to the vote and defeated with only two members voting in favour.

Before the substantive motion was put to the vote there was further discussion during which Councillor Loughlin made the point that she was strongly in favour of the project in principle but the report left a great deal to be desired. She asked whether, in the event the Army left Carver Barracks altogether, it would be possible to negotiate the retention of community use.

Councillor Ranger accepted this was a valid point to raise and said it would be a matter for further discussion with the Army. Best endeavours would be used to ensure the facilities could be inherited in some way.

Councillor Loughlin then said the debate had given her further confidence in the project and she would support it.

The substantive motion was put to the vote and carried overwhelmingly.

RESOLVED to endorse the decision of the Cabinet to allocate the sum of £500,000 to enable match funding for the provision of an eight-lane running track at Carver Barracks.

Appendix C – Agreed Heads of Terms

Defence Infrastructure Organisation

Bazalgette Pavilion

RAF Wyton

Huntingdon



MINISTRY OF DEFENCE

**Defence
Infrastructure
Organisation**

HEADS OF TERMS

8 LANE ATHLETIC TRACK , ASSOCIATED SPORTS PITCH, WITH FLOOD LIGHTING AT CARVER BARRACKS, WIMBISH, SAFFRON WALDEN

SUBJECT TO CONTRACT

Property:	An athletics track, associated sports pitch, with floodlights and sufficient parking spaces (to be constructed) Access to the Property via the public highway
1: Telephone: Contact: Solicitors:	The Secretary of State for Defence c/o Defence Infrastructure Organisation, Bazalgette Pavilion, RAF Wyton, Huntingdon, Cambridgeshire, PE28 2EA TBC
2: Telephone: Contact: Solicitors:	Uttlesford District Council, Council Offices, London Road, Saffron Walden, Essex, CB11 4ER (0) 1799 510421 Adrian Webb, Director of Finance and Corporate Services, awebb@uttlesford.gov.uk Simon Pugh, Interim Head of Legal Services spugh@uttlesford.gov.uk 01799 510416
Use:	Community and Health uses to be defined but likely to include: Community groups, meetings and activities Skills training/educational classes Hobby activities Cultural sport and leisure activities Other uses and activities agreed between MOD and UDC
Permitted Users:	Clubs, schools and other associations approved by UDC and MOD, subject to payment of a usage charge set by MOD determined with reference to

	Market Value
Permitted hours of use:	Ordinarily between 4:30pm to 9pm on weekdays and 9am to 6pm on weekends and public holidays subject to discretion on the part of MOD to reduce these and/or to provide additional access.
Other terms	<ol style="list-style-type: none"> 1. MOD to maintain the facility to a reasonable standard for the duration of the agreement at its own expense. 2. Any disputes not agreed between the parties to be determined by an Arbitrator appointed by the RICS, whose costs will be determined as part of his decision
Fees:	£500,000 contribution towards the development of the Property.
Term/Duration:	From the date the Property is ready for use until such time as the land known as Carver Barracks is sold by MOD, estimated 2031
Break Option:	<p>1: MOD to be able to terminate the agreement given 1 month's written notice for reasons of national security</p> <p>2: MOD to be able to terminate given 12 months' written notice for any reason and at any time.</p> <p>3. UDC to be able to terminate for material and persistent breach of the agreement, on giving 3 months' notice of non-compliance and subject to any such notice not taking effect should MOD remedy the specified breach within 60 days or such longer period specified by UDC.</p> <p>4. In the event of MOD or UDC terminating the agreement, or the facility being closed or rendered unavailable for the permitted use before 2031, a partial refund of the contribution (on the basis of straight line depreciation), is to be made to UDC.</p>
Conditions:	<p>Subject to military & board approvals.</p> <p>Subject to Contract.</p>
Legal Fees:	Each party to pay own fees.
Dated:	2 November 2017