

BATH AND NORTH EAST SOMERSET

RESOURCES POLICY DEVELOPMENT AND SCRUTINY PANEL

Wednesday, 13th September, 2017

Present:- Councillors Sarah Bevan (Chair), Colin Barrett (Vice-Chair), Lisa O'Brien, Jasper Becker, Andrew Furse and Joe Rayment (in place of Chris Dando)

23 WELCOME AND INTRODUCTIONS

The Chairman welcomed everyone to the meeting.

24 EMERGENCY EVACUATION PROCEDURE

The Chairman drew attention to the emergency evacuation procedure.

25 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Councillor Chris Dando sent his apologies and was substituted by Councillor Joe Rayment.

Councillor Chris Pearce sent his apologies.

26 DECLARATIONS OF INTEREST

There were none.

27 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

There was none.

28 ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING

There were none.

29 MINUTES

The Panel confirmed the minutes of the previous meeting as a true record and they were duly signed by the Chairman.

30 COMMUNITY INFRASTRUCTURE LEVY

Simon de Beer, Group Manager Policy and Environment, gave a presentation to the Panel which covered the following:

- CIL recap

- CIL must be spent on ...
- Charging schedule
- BANES Regulation 123 List
- CIL forecasts to 2021 (£)
- Total CIL forecasts by area
- Plans and CIL
- Indicative Local Apportionment
- Local component
- Spend arrangements
- Timetable for agreeing spend

Panel members made the following points and asked the following questions:

Councillor Furse asked how the system will work in Bath (no parishes). The officer explained that the Bath Forum will be discussing how they will manage the arrangements. Councillor Furse stated that his worry was that things would slip off the list.

Councillor O'Brien asked what arrangements are in place for the end of a period of office and at what stage the money is committed. The officer explained that it is suggested that there is a regularly reviewed programme.

Responding to a question from Councillor Barrett, the officer explained that the amount of CIL charged to developers in each area is a quantum of the development in that area.

Responding to a question from Councillor Becker, the officer explained that the old system of negotiation was seen as cumbersome, whereas in the new system the money is paid by developers as a tax which should work quicker.

31 COUNCIL COMPANY GOVERNANCE ARRANGEMENTS AND ANNUAL REPORT

Andrew Pate, Strategic Director for Resources introduced the item and explained the roles that Council officers have.

Councillor Gerrish, Cabinet Member for Finance and Efficiency, asked that it be recorded that on advising the Panel, he is doing so in two roles – one as a member of Cabinet and one as Chair of ADL.

Derek Quliter, Divisional Director Property and Project Management gave a presentation to the Panel on 'Property Development Company Update' which covered the following:

- Establishment of a Local Property and Development Company
- Purpose and Objectives
- Purpose and Objectives
- ADL Residential Portfolio
- Properties Under Refurbishment
- Riverside Development Programme

- Riverside Development – Local need
- Riverside Development Design Before and After
- Station Road, Bath
- Natural House Principles
- Bath Quays South Residential Block, Bath
- Englishcombe Lane, Bath
- Finance Update

Panel members made the following points and asked the following questions on the presentation:

Councillor Barrett asked about social housing, the officer explained that at Englishcombe Lane there is 40% affordable housing and he has had conversations with the housing department regarding the type of properties needed in the area. He explained that we are the developer, not a social landlord. The Strategic Director explained that if the Council wanted to raise the amount of affordable housing in a development, it would have to provide a subsidy.

Councillor Furse asked what happens to empty properties in the city centre. The officer explained that when properties are empty, a lease clause is triggered and Curo hand them back to the Council – ADL will then look at the options, it may be best to sell the property. Councillor Furse stated that he was concerned about the gentrification of the city centre and lowering of available social housing. The officer explained that it is more likely the case that these properties are sold to people who want to live and work in the city, they are not luxury apartments. Councillor Gerrish added that he has seen some of the empty properties and they are often not in a good state, he feels the Council is providing improved housing in the city with reasonable rentals to address a need.

Councillor O'Brien asked about the Riverside development in Keynsham and whether there will be affordable housing. The officer explained that there wouldn't but there will be some reasonable rentals.

Panel members made the following points and asked the following questions on the report:

Councillor Barrett asked what role elected members will have. The Strategic Director explained that members would have a similar role as they do in usual Council business depending on whether they are part of the Cabinet or Scrutiny process. It is the intention that there will be an annual report to Council and there could also be reports to the Scrutiny Panel so members will be kept updated. Councillor Furse stated that members are elected because the public purse is involved which they are responsible for so there should be a high degree of scrutiny. The Strategic Director explained that many controls will apply such as a formal lease, legal charges and a development agreement. He further explained that the Council own the company and are not investing in a third party.

Councillor Barrett asked how WECA fits with this and asked why this item came to Scrutiny at this stage. The Strategic Director explained that WECA is completely

separate from this. Regarding the timing of the scrutiny report he explained that the arrangement goes back to December 2015.

Councillor Barrett asked what the effect will be on the pension scheme (declared interest as being a member of the pension scheme). The Strategic Director explained that normal pension rules apply as so far, all ADL/ACL employees are Council staff. If the company employs staff directly – the Local Government pension scheme will not apply.

Councillor Rayment asked if members would know the decisions of the board. The Strategic Director explained that the day to day decisions will be down to the company but the Council has control over the company and individual projects are commissioned by the Council. Derek Quilter further explained that ACL is responsible for delivering monthly reports and the loan is drawn down in blocks, they do not get all of the money for a project up front. He added that scrutiny by the Council would be at the normal level.

Following some discussion around the decision of the shareholder group, Councillor Charles Gerrish, Cabinet Member for Finance and Efficiency explained that he is a member of the Cabinet and Chair of ADL and he feels this can cause strain as interests may be different and he is pleased that it has been proposed that Cabinet Members should not be on the board of Council companies (including BTP).

Councillor Lisa O'Brien stated that she welcomed the fact that Cabinet members will not be on the board of Council companies, and robust scrutiny is possible (to include BTP). She added that scrutiny bodies should see figures twice yearly and if the Panel is not happy with performance information, they can request more. She felt confident that the business case has been through due process. She asked how long it would take for Cabinet members to come off the board, the Strategic Director stated that it would happen over the next few months.

Councillor Rayment stated that he feels there is a lack of scrutiny function in the structure and the scrutiny function should mirror the Council system or have a holding company scrutiny panel.

There was some discussion around how members could challenge a decision of the company, it was felt that the call-in process would not be suitable due to the commercially sensitive information. Members of the Panel and the Cabinet Member agreed that legal advice would be welcome to address this.

The Panel recommend to Council:

1. That regular performance reports be brought to the relevant Scrutiny Panel or Committee on a 6 monthly basis on all commercial activity (5 for and 1 abstain)
2. The Panel support the principle of establishing a clear distinction between the role of Cabinet and the role of the board/company within a reasonable period of time (all in favour)

3. Seek legal advice as to how and when a greater scrutiny mechanism can be achieved for decisions made by, or in consultation with, the leader in his role as shareholder (all in favour)

32 CABINET MEMBER UPDATE

The Cabinet Member for Finance and Efficiency, Councillor Charles Gerrish updated the Panel on the following:

- He attended the West of England Business Board today regarding employment.
- He recommends the Panel take a paper on Grand Parade and Undercroft.

33 PANEL WORKPLAN

With the following amendments, the Panel noted the workplan:

- Add 'Grand Parade and Undercroft' (November 2017)
- Move 'Update on demand for Printing, Catering and Cleaning services and future delivery options' to unscheduled items.

The meeting ended at 6.50 pm

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services