

Cabinet

(adjourned meeting from 31st October 2018)

Date: Thursday, 8th November, 2018
Time: 9.30 am
Venue: Kaposvar Room - Guildhall, Bath

Agenda

To: All Members of the Cabinet

Councillor Tim Warren (Leader of the Council and Conservative Group Leader), Councillor Charles Gerrish (Cabinet Member for Finance and Efficiency, Conservative Deputy Group Leader North East Somerset), Councillor Vic Pritchard (Cabinet Member for Adult Care, Health and Wellbeing), Councillor Paul Myers (Cabinet Member for Economic and Community Regeneration), Councillor Karen Warrington (Cabinet Member for Transformation and Customer Services), Councillor Paul May (Cabinet member for Children and Young People), Councillor Bob Goodman (Cabinet Member for Development and Neighbourhoods) and Councillor Mark Shelford (Cabinet Member for Transport and Environment, Conservative Deputy Group Leader Bath)

Chief Executive and other appropriate officers
Press and Public

The agenda is set out overleaf.



Jack Latkovic

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NOTES:

1. **Inspection of Papers:** Papers are available for inspection as follows:

Council's website: <https://democracy.bathnes.gov.uk/ieDocHome.aspx?bcr=1>

Paper copies are available for inspection at the **Public Access points:-** Reception: Civic Centre - Keynsham, Guildhall - Bath, The Hollies - Midsomer Norton. Bath Central and Midsomer Norton public libraries.

2. **Details of decisions taken at this meeting** can be found in the minutes which will be circulated with the agenda for the next meeting. In the meantime, details can be obtained by contacting as above.

3. **Recording at Meetings:-**

The Openness of Local Government Bodies Regulations 2014 now allows filming and recording by anyone attending a meeting. This is not within the Council's control.

Some of our meetings are webcast. At the start of the meeting, the Chair will confirm if all or part of the meeting is to be filmed. If you would prefer not to be filmed for the webcast, please make yourself known to the camera operators.

To comply with the Data Protection Act 1998, we require the consent of parents or guardians before filming children or young people. For more information, please speak to the camera operator.

The Council will broadcast the images and sound live via the internet www.bathnes.gov.uk/webcast The Council may also use the images/sound recordings on its social media site or share with other organisations, such as broadcasters.

4. **Public Speaking at Meetings**

The Council has a scheme to encourage the public to make their views known at meetings. They may make a statement relevant to what the meeting has power to do. They may also present a petition or a deputation on behalf of a group. They may also ask a question to which a written answer will be given. **Advance notice is required not less than two full working days before the meeting. This means that for meetings held on Thursdays notice must be received in Democratic Services by 5.00pm the previous Monday.** Further details of the scheme:

<https://democracy.bathnes.gov.uk/ecCatDisplay.aspx?sch=doc&cat=12942>

5. **Emergency Evacuation Procedure**

When the continuous alarm sounds, you must evacuate the building by one of the designated exits and proceed to the named assembly point. The designated exits are signposted. Arrangements are in place for the safe evacuation of disabled people.

6. **Supplementary information for meetings**

Additional information and Protocols and procedures relating to meetings

<https://democracy.bathnes.gov.uk/ecCatDisplay.aspx?sch=doc&cat=13505>

Cabinet - Thursday, 8th November, 2018

in the Kaposvar Room - Guildhall, Bath

AGENDA

1. WELCOME AND INTRODUCTIONS
2. EMERGENCY EVACUATION PROCEDURE

The Chair will draw attention to the emergency evacuation procedure as set out in the Notes

3. APOLOGIES FOR ABSENCE
4. DECLARATIONS OF INTEREST

At this point in the meeting declarations of interest are received from Members in any of the agenda items under consideration at the meeting. Members are asked to indicate:

(a) The agenda item number in which they have an interest to declare.

(b) The nature of their interest.

*(c) Whether their interest is a **disclosable pecuniary interest** or an **other interest**, (as defined in Part 2, A and B of the Code of Conduct and Rules for Registration of Interests)*

Any Member who needs to clarify any matters relating to the declaration of interests is recommended to seek advice from the Council's Monitoring Officer or a member of his staff before the meeting to expedite dealing with the item during the meeting.

5. STATEMENTS, DEPUTATIONS OR PETITIONS FROM PUBLIC OR COUNCILLORS

Councillors and members of the public may register their intention to make a statement if they notify the subject matter of their statement before the deadline. Statements are limited to 3 minutes each. The speaker may then be asked by Cabinet members to answer factual questions arising out of their statement.

6. AEQUUS - SHAREHOLDER APPROVAL OF DEVELOPMENT BUSINESS CASE PROPOSAL (Pages 5 - 38)

To approve a business case and related development loan funding for a land acquisition and housing development proposal by the Council's housing development company Aequus Construction Ltd.

The Committee Administrator for this meeting is Jack Latkovic who can be contacted on 01225 394452.

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Bath & North East Somerset Council		
MEETING/ DECISION MAKER:	Cabinet	
MEETING/ DECISION DATE:	31 October 2018 (adjourned for 8th November 2018)	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3104
TITLE:	Aequus - Approval of Development Business Case Proposal	
<p>List of attachments to this report:</p> <p>Exemption Certificate - Information Compliance Ref: LGA 1785/18</p> <p>Exempt Appendix 1 - Business Case for Housing Development Proposal – Exempt information, according to the categories set out in the Local Government Act 1972 (amended Schedule 12A) - information relating to the financial or business affairs of any particular person (including the authority holding that information)</p>		

1 THE ISSUE

- 1.1 To approve a business case and related development loan funding for a land acquisition and housing development proposal by the Council's housing development company Aequus Construction Ltd.

2 RECOMMENDATION

The Cabinet is asked to;

- 2.1 Approve (as the Shareholder) the Business Case for the proposed housing development as set out at Appendix 1.
- 2.2 Approve the loan funding of up to £2.75M from within the existing Fully Approved Capital loan funding for Aequus developments.
- 2.3 Approve that the specific details of loan funding are delegated to the Section 151 Officer in accordance with the extant Development Facility Agreement.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The specific resourcing implications are set out in the Business Case at Appendix 1, including all financial assumptions and anticipated financial returns to the Council.
- 3.2 The loan requirements as set out in the Business Case are within the existing levels Fully Approved by the Council in February 2018 and the Development Facility Agreement terms between the Council and ACL.
- 3.3 Independent advice has been obtained by the Statutory Officers from Hartnell Taylor Cook (HTC) to provide assurance that the assumptions and rationale for the Business Case are reasonable.
- 3.4 Staffing resources within ACL are subject to the transfer and employment of staff by the Company in line with the company's Remuneration Policy.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 Aequus was established by the Executive in accordance with the powers set out under S1 of the Localism Act 2011 (the general power of competence). This proposal will support the delivery of the objectives set for the Company as part of that Executive decision in December 2015.

5 THE REPORT

- 5.1 This Business Case at Appendix 1 sets out the proposal for the acquisition and development of a site in Bath. The site has the benefit of full planning approval and provides for family homes.
- 5.2 The Aequus Board has considered and approved the Business Case which has the potential to deliver in excess of a £600K revenue return for the Shareholder whilst maintaining the development pipeline and meeting the objectives set for the Company by the Council (as Shareholder).

6 RATIONALE

- 6.1 The recommendations set out in Para 2 of this report will enable the Company to continue to develop and, deliver the objectives set for it by the Council (as Shareholder). In particular the decision will enable the provision and delivery of new family homes in the City and support the delivery of the income targets set for the Company in the Council's approved Medium Term Financial Plan.

7 OTHER OPTIONS CONSIDERED

7.1 Aequus continues to consider a range of options to bring forward both Council and external sites for development. Business Cases will only be brought forward for consideration where a viable and deliverable scheme is possible in line with the objectives set for the company by the Council (as Shareholder).

8 CONSULTATION

8.1 Consultation has taken place with the Statutory Officers and the Council's Shadow Holding Company Group. Aequus officers have also spoken to one of the local the Ward Councillors regarding the proposed development which has existing full planning approval.

9 RISK MANAGEMENT

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision-making risk management guidance. A full risk register related to the proposal is included within the Business Case at Appendix 1.

Contact person	<i>Tim Richens, Managing Director, Aequus Group – Tel: 01225 394367 or email: tim.richens@aequusdevelopments.co.uk</i>
Background papers	<i>None</i>
Please contact the report author if you need to access this report in an alternative format	

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Access to Information Arrangements

Exclusion of access by the public to Council meetings

Information Compliance Ref: LGA 1785/18

Meeting / Decision: Cabinet

Date: 31st October 2018

Author: Tim Richens

Report Title: Aequus - Approval of Development Business Case Proposal

List of exempt attachments to this report:

Exempt Appendix 1 - Business Case for Housing Development Proposal

The Report contains exempt information, according to the categories set out in the Local Government Act 1972 (amended Schedule 12A). The relevant exemption is set out below.

Stating the exemption:

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)

The public interest test has been applied, and it is concluded that the public interest in maintaining the exemption outweighs the public interest in disclosure at this time. It is therefore recommended that the Exempt Appendix be withheld from publication on the Council website. The paragraphs below set out the relevant public interest issues in this case.

PUBLIC INTEREST TEST

If the Cabinet wishes to consider a matter with press and public excluded, it must be satisfied on two matters.

Firstly, it must be satisfied that the information likely to be disclosed falls within one of the accepted categories of exempt information under the Local Government Act 1972.

The officer responsible for this item believes that this information falls within the following exemptions and this has been confirmed by the Council's Information Compliance Manager.

The following exemptions are engaged in respect to this report:

1. Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Secondly, it is necessary to weigh up the arguments for and against disclosure on public interest grounds. It is considered that there is a public interest in information about property acquisition being disclosed into the public domain. Other factors in favour of disclosure include:

- furthering public understanding of the issues involved;
- furthering public participation in the public debate of issues, in that disclosure would allow a more informed debate;
- promoting accountability and transparency by the Council for the decisions it takes;

Weighed against this is the fact that the exempt appendix contains strategic and financial information which could prejudice the commercial interests of the Council if disclosed at this time. The exempt appendices also include the observations and opinions of officers regarding the proposal. It would not be in the public interest if advisors and officers could not express in confidence opinions which are in good faith and on the basis of the best information available. It is important for public authorities to have some measure of 'private thinking space', and that they are able to share important information with Elected Members tasked with representing the local community.

The Council's funds are in essence public funds and there is an obligation to obtain best value for money. Disclosure of this information would prejudice the Council's ability to ensure it obtains best value in this matter. It is in the public interest that the Council is able to deliver cost-effective solutions. This depends partly on the Council being able to protect its commercial position while the detailed terms of relevant schemes are agreed.

It is considered that the public interest is best served in this matter by not releasing this information at this time and that a significant amount of information regarding the matter has been made available on these issues – by way of the main report. Therefore it is recommended that exemption 3 applies. The Council considers that the public interest is in favour of not holding this matter in open session at this time and that any reporting on the meeting is prevented in accordance with Section 100A(5A).

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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