

**SPECIAL ENVIRONMENT AND ECONOMY OVERVIEW AND SCRUTINY PANEL**

**MONDAY 8 SEPTEMBER 2014 AT 10.00 AM**

**PRESENT:** Councillor Nedved (Chairman), Councillors Mrs Bowman, Caig, Dodd and Mitchelson

**ALSO**

**PRESENT:** Councillor Glover – Leader  
Councillor Mrs Martlew – Environment and Transport Portfolio Holder  
Councillor Mrs Bradley – Economy, Enterprise and Housing Portfolio Holder  
Councillor Ellis  
Councillor Mrs Prest  
Councillor J Mallinson

**OFFICERS:** Deputy Chief Executive  
Director of Economic Development  
Director of Resources  
Strategic Property Manager  
Legal Services Manager  
Overview and Scrutiny Officer

**EEOSP.52/14 APOLOGIES FOR ABSENCE**

Apologies for absence were submitted on behalf of Councillor Wilson.

**EEOSP.53/14 DECLARATIONS OF INTEREST**

Councillor Mrs Bowman declared an interest in Agenda Item B.1 – Development at Rosehill in accordance with the Council's Code of Conduct. The interest related to the fact that a member of her family is employed at Rosehill and her husband is a member of the Insurance Indemnity Fund of which includes H&H.

**EEOSP 54/14 – PUBLIC AND PRESS**

Members challenged the Executive as to why the whole matter was restricted to Part B as they felt that the report could be split into two, principle in Part A, confidential details in Part B. The Legal Services Manager explained the reasons why the item was placed in Part B and advised that it would be difficult to consider all of the issues in public as they related to the business and financial affairs of the Council and H&H.

**EEOSP.55/14 CALL IN OF DECISIONS**

(Public and Press excluded by virtue of Paragraph 3)

The Chairman of the Environment and Economy Overview and Scrutiny Panel reported that Executive Decision EX.93/14 from the Executive on 18 August 2014 – Development at Rosehill – had been called-in by Councillor Nedved as Chairman of the Panel.

The Executive had decided:

“That the Executive:

1. Noted the current position regarding the proposed disposal to H&H set out in Report ED.22/14.
2. Granted a lease to H&H at best consideration, based on valuation, on final terms to be agreed by the Director of Economic Development and the Director of Governance. “

The reason for the decision by the Executive was:

“As detailed within Report ED.22/14”

The reasons given by the Members for the call-in were:

- “To scrutinise the decision making process and external advice given to the Council;
- To question whether or not the Council is maximising the value of the asset, and
- Lack of consultation”.

In considering the decision Members raised the following comments and questions:

- *There was a lack of consultation. What advice was the Executive given with regard to remediation of the site and obtaining the best valuation?*

The Economy, Enterprise and Housing Portfolio Holder explained that this information was contained within the report and that there were a number of economic advantages which were considered when making the decision including possible alternative uses of the site and any impact on other areas of the City, the nature of the proposed development and the employment opportunities this would bring.

- *Were there alternative proposals which could be considered?*

The Leader explained that the advice was contained within the report on the complicated legal issues which restricted the Council in relation to this.

In response to a query the Strategic Property Manager confirmed the nature of the legal constraints on the site and that the whole site would be required for the proposed development.

- *Would there be varying levels of remediation work required on the site, and consequently cost, dependent upon the nature of the development?*

The Strategic Property Manager stated that the level of remediation would vary with the end user.

The Director of Economic Development added that remediation work on the whole site had been explored and the remediation work would be different for different uses. The cost had been assessed having regard to the proposed use.

There was considerable discussion around the legal issues in relation to the site.

The Strategic Property Manager advised that an independent valuation of the site had been undertaken and the Executive had considered that information.

- *It would have been helpful if that information had been passed to Members earlier.*

The issues in relation to the site were no different to those considered in 2006 but the Executive had decided that it would not be appropriate to do nothing with the site. The proposals had support from the LEP as it would lead to an increase in the number of jobs available.

- *Members appreciated the benefits of the proposals but were concerned about transparency. What other options had been explored?*

The Leader explained that the legal issues meant that other options were limited. The Legal Services Manager clarified the legal issues.

- *Rosehill is a business park and not an industrial estate. The Expo on the site brings economy into the City. There was still concern that the Executive could have been more open and accountable.*

The Economy, Enterprise and Housing Portfolio Holder stated that it was important to support the business on Rosehill but she was disconcerted that a Member was focussing on the potential financial benefits rather than the other economic advantages of the proposal. The matter was complex and the Executive's decision would result in numerous economic benefits to the City including employment opportunities and site improvement.

The Director of Resources advised that there were a number of significant financial advantages to moving the matter forward quickly.

- *It is important that all avenues are explored fully. It does not feel as if full consideration has been given to all the issues eg car parking. The proposed arrangements for car parking on the site could result in difficulties elsewhere.*

The Director of Economic Development reminded Members that the report was clear in respect of car parking provision within the proposed development.

The Strategic Property Manager explained that the current parking provision was poor and not in keeping with the estate. The proposal would provide a much improved facility.

- *The decision could create parking problems which would affect businesses on the estate.*

The Director of Economic Development advised that the issues had been raised with the potential developer who would not do anything to compromise their business.

There was discussion about the access to the car parking on the site.

- *Have all the opportunities in relation to the site been explored?*

The Strategic Property Manager advised that at the present time the Council had limited scope to consider other opportunities because of the legal constraints on the site.

- *Would grant aid be available for the remediation of the site?*

The Director of Economic Development explained that the possibility of funding from the LEP had been explored but that it had been agreed that it was preferable for the developer to obtain funding themselves.

- *How would the development comply with European procurement legislation?*

The Legal Services Manager reminded Members that the detailed legal comments were included in the report and clarified these for the purposes of the meeting.

- *Why is the decision not being referred to Council?*

The Legal Services Manager explained the reasons why the decision did not need to be referred to Council.

- *Has there been adequate debate in respect of the proposal?*

The Leader advised that the matter had been fully debated.

The Council and H&H have taken advice over the legal issues and there was no clear cut solution.

The Legal Services Manager explained that the legal position with regard to the constraints on the site was complicated and arguments could be mounted for either position. The only way to determine the issues would be to apply to a Tribunal which would be lengthy and costly.

In response to a query from a Member the Director of Resources explained that car parks were taken into account when assessing the rateable value of businesses.

- *Are business rates reinvested in businesses or put into the general pot?*

The Deputy Chief Executive advised that the Council had no policy at present with regard to re-investment and therefore revenue was included in the general budget figures.

RESOLVED: 1) That the Environment and Economy Overview and Scrutiny Panel were critical of the Executive for dealing with this matter in Part B. Therefore the Panel request that this item is referred back to the Executive to be split into two – the principle in Part A and confidential details in Part B.

2) For transparency and consultation, the Panel request that the Executive review whether the Council is getting value for money in respect of development at Rosehill.

(The meeting ended at 11.20 am)