

Investment Board – 17 March 2020

Minutes of the meeting of the **Investment Board** held on **17 March 2020** when there were present:-

Chairman: Cllr M J Steptoe
Vice-Chairman: Cllr A L Williams

Cllr D S Efde	Cllr D J Sperring
Cllr A H Eves	Cllr I H Ward
Cllr M J Lucas-Gill	Cllr S A Wilson
Cllr Mrs L Shaw	Cllr S E Wootton

VISITING MEMBERS

Cllrs R R Dray, G J Ioannou, Mrs C E Roe, M J Webb, Mrs C A Weston and M G Wilkinson.

APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllrs Mrs J R Gooding and C M Stanley.

SUBSTITUTES

Cllr P J Shaw for Cllr Mrs J R Gooding

OFFICERS PRESENT

S Scruton	- Managing Director
A Hutchings	- Strategic Director
M Harwood-White	- Assistant Director, Assets & Commercial
N Lucas	- Assistant Director, Resources
D Tribe	- Assistant Director, Transformation & Customer
M Power	- Democratic Services Officer

ALSO PRESENT

D Blackie	- East of England Local Government Association
A Rowson	- East of England Local Government Association

Cllr G J Ioannou raised an issue relating to his removal as a Member of the Investment Board. He had expected written notification of this and had noted that the Council's Committee Management Information System still showed him as a Member of the Investment Board. The Chairman advised that Cllr Ioannou had been removed as a Member of the Investment Board because he was no longer a Member of the Rochford District Council Conservative Group; the Investment Board was now showing a vacancy.

The Strategic Director made a statement to the meeting in respect of the Council's decision to hold that evening's meeting in light of the Covid-19 pandemic. The Council was operating a risk-based approach, on a case by case basis, to decide whether meetings should go ahead or be cancelled. Currently, Councils had not been advised to stop calling meetings. This approach would continue to be reviewed

in light of ongoing Government advice. Legally, certain decisions had to be made in face to face meetings. The item of business on the Agenda was the next step in a complex legal process that had been ongoing for over 12 months and it was felt that this was important necessary business for the Council to transact. A decision to recommend to Full Council to proceed with the tender process would provide the bidders with commercial certainty.

A Councillor asked whether the recent Government announcement that provision may be made for freezing business rates would have an effect on the Council's risk register, which had not been updated in respect of the Asset Delivery Programme. The Strategic Director advised that Government advice was being followed and that the report at tonight's meeting was not about making a decision to award a contract. Updating the project risk register would be the function of the project team and this would be reviewed regularly as a matter of course.

54 MINUTES

The Minutes of the meeting held on 5 September 2019 were approved as a correct record and signed by the Chairman.

55 ASSET DELIVERY PROGRAMME: OUTCOME OF PROCUREMENT OF A DEVELOPMENT PARTNER AND FINAL BUSINESS CASE

The Investment Board considered the report of the Assistant Director, Assets & Commercial submitting the Tender Report and the Final Business Case for the Asset Delivery Programme for approval.

The Portfolio Holder for Enterprise, Cllr S E Wootton, advised that the aims of the Asset Strategy were to reduce future costs, to regenerate the local area and provide fit for purpose office facilities for Council staff and key partners. The Asset Strategy was part of the Council's wider transformation programme. The Council was committed to retaining a civic presence in Rayleigh and continuing to provide accommodation to its current community partners - Rochford & Rayleigh Association of Voluntary Services, Open Adult Counselling Services and Citizens' Advice - as well as the groups, clubs and individuals who hired space in the Mill Arts & Events Centre for various community activities. The Council's current offices were both expensive to maintain and not fit for purpose. The Portfolio Holder and Member Working Group were committed to providing modern facilities while taking account of the historical setting of the buildings. Public engagement around the schemes would be meaningful and detailed and would take place prior to the planning stage of the process. The Portfolio Holder wished to thank Members of the Working Group, Rochford District Council officers, the Assistant Director, Assets & Commercial and external advisers for all their hard work on the project to date.

Cllr D J Sperring read a statement from the Member Working Group. The 2018 Asset Strategy set out that doing nothing was not an option when faced with an increasing budget gap and the need to continue to provide value for money services to our residents. The Outline Business Case for the Asset Delivery Programme identified that the preferred option was more economically

advantageous than the ‘do minimum’ option since the Council would be exposed to costs of running and maintaining ageing buildings.

The Preferred option, set out in the Outline Business Case, envisioned a programme of integrated projects: to re-develop the Freight House as the Council’s long-term office accommodation and civic space, to re-develop the Mill site to create a new community facility, Council touch down and partner space and to dispose and re-develop the South Street sites in Rochford and Civic Suite in Rayleigh for housing, commercial or mixed use.

The Outline Business Case had been approved by the Investment Board in January 2019 and by Full Council in February 2019. The Council then began a procurement process to explore how to deliver the ‘Preferred Option’.

The Member Working Group had been set up to work with officers, external advisers and the Portfolio Holder to see the project through and had been a fundamental part of the process. It had been hoped that there would be cross-party involvement in the Working Group; however, this opportunity was not accepted. The Group had to adhere to a stringent legal procurement process, which had strictly followed the ‘Treasury best practice’. The Council had bought in external expertise to work with Council officers and the Member Working Group. These experts had worked fully with officers and the Members of the Working Group.

In February 2019 a Local Partnerships Health-check review endorsed the Council’s approach and validated the decisions taken to date at that time. The East of England Local Government Association had provided the role of critical friend throughout the process. The process had been Member led and robustly managed. All key decisions had been passed through the Member Working Group and then onto formal Council governance at Investment Board or Full Council, or both.

Once the legal process had been completed the Council would begin to engage with the public and stakeholders (such as users of the buildings) about these proposals. In the procurement process the Council specified that the preferred bidder would work with us to ensure that this period of engagement was wide ranging and meaningful. The Council wanted to know what residents think of the solutions and hear what feedback they want to give. All of this would be in advance of formal planning consultation so there was a real opportunity to influence the final proposals.

Cllr Sperring concluded by emphasising the importance of the process remaining private and confidential until the legal process had been completed; otherwise the entire procurement process could be jeopardised, leaving the Council exposed to a potentially huge legal claim.

In view of the need for discussion on the detail of the exempt appendices, it was:-

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Resolved

That the press and public be excluded from the meeting for the remaining business on the grounds that exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 would be disclosed.

Detail on the discussion is set out in the exempt appendix to the Minutes.

RECOMMENDED TO COUNCIL

- (1) That the outcome of the procurement process as set out in the Tender Report be approved (exempt Appendix 1 to the report).
- (2) That the Preferred Bidder as set out in the Tender Report (exempt Appendix 1) be appointed for the Asset Delivery Programme.
- (3) That the Final Business Case (exempt Appendix 2 to the report) be approved.
- (4) That authority be delegated to the Assistant Director, Assets & Commercial in consultation with the Portfolio Holder for Enterprise to enter into negotiations with the Preferred Bidder identified to confirm financial commitments and other terms contained in the Tender Report and the Full Business Case and to report back to Full Council for final approval.
- (5) That £72,500 of unspent project budget be carried forward to 2020/21 and additional budget of £214,900 be agreed, to be funded from the Hard/Soft Infrastructure Reserve to fund the resources required to progress the Programme during 2020/21.

The meeting closed at 9.30 pm.

Chairman

Date

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