

Extraordinary Council – 8 September 2020

Minutes of the meeting of **Extraordinary Council** held on **8 September 2020** when there were present:-

Chairman: Cllr R R Dray
Vice-Chairman: Cllr Mrs C A Weston

Cllr Mrs D L Belton	Cllr R Milne
Cllr Mrs L A Butcher	Cllr J E Newport
Cllr C C Cannell	Cllr Mrs C A Pavelin
Cllr M R Carter	Cllr Mrs C E Roe
Cllr Mrs T L Carter	Cllr Mrs L Shaw
Cllr D S Efde	Cllr P J Shaw
Cllr A H Eves	Cllr S P Smith
Cllr Mrs J R Gooding	Cllr D J Sperring
Cllr B T Hazlewood	Cllr C M Stanley
Cllr N J Hookway	Cllr M J Steptoe
Cllr K H Hudson	Cllr I H Ward
Cllr G J Ioannou	Cllr M J Webb
Cllr Mrs J R Lumley	Cllr A L Williams
Cllr Mrs C M Mason	Cllr S A Wilson
Cllr Mrs J E McPherson	Cllr S E Wootton
Cllr D Merrick	

APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr J C Burton, Cllr Mrs D Hoy, Cllr M Hoy, Cllr G J Ioannou, Cllr M J Lucas-Gill, and Cllr M G Wilkinson.

OFFICERS PRESENT

A Hutchings	- Strategic Director
M Harwood White	- Assistant Director, Assets & Commercial
A Law	- Assistant Director, Legal & Democratic
N Lucas	- Assistant Director, Resources
L Moss	- Assistant Director, People & Communities
D Tribe	- Assistant Director, Transformation & Customer
S Worthington	- Principal Democratic & Corporate Services Officer
L Morris	- Democratic Services Officer

ALSO PRESENT

R Brooks	- Anthony Collins, Solicitors
S Munroe	- Anthony Collins, Solicitors
K Hardy	- Gleeds Advisory Limited
D Blackie	- East of England Local Government Association
A Rowson	- East of England Local Government Association

138 DECLARATIONS OF INTEREST

Cllr Mrs J R Lumley declared an interest as one of the trustees of one of the partner organisations involved in the Asset Delivery Programme.

139 ASSET DELIVERY PROGRAMME (ADP) CONTRACT AWARD

Council considered the report of the Assistant Director, Assets & Commercial asking Council to approve the Project Documents or the Asset Delivery Programme.

The Leader of the Council made the following statement:

“As Leader and with Portfolio Holder responsibility for this project I am delighted to introduce this report to this Extraordinary Meeting of Council, specifically convened to deal with the Asset Delivery Programme. Rochford District Council is pursuing an ambitious Asset Strategy with the following objectives: to reduce ongoing future costs which will only increase and must therefore be in the interest of Council Tax payers; to regenerate the local area and provide facilities for local residents and businesses across the whole of the Rochford District; and to provide fit for purpose office accommodation for Council staff and Key Partners in order to drive efficiencies through a digital first way of working.

The project last came before Members on 19 May 2020, when Council resolved to appoint GB Partnerships as the Council's preferred bidder, following a comprehensive procurement process. During the debate that evening Members raised a number of very important points which needed to be taken into account as the Council moved to the next stage of the process which was to negotiate contracts.

Tonight, we will be learning how negotiations have been progressed to a resolution. Chairman, this project is Member led; Members have been involved in it from day one, and with your permission, a number of them wish to speak to this Council to talk about their involvement before we get down into the detail, and Chairman, there is a lot of detail, the vast majority of which is contained within the confidential appendices to this report. To avoid any difficulties, I would ask that any questions be deferred until the confidential part of this meeting so that topics can be discussed freely.’

The Chairman of the Investment Board made the following statement:

“The idea of the use of the Freight House for a potential Council Chamber goes back many years. It was first raised as an item at one of our budget away days. Once I became Portfolio Holder for Enterprise, we started to look into the possibility of looking at our assets and what we could do with them. As Chairman of the Investment Board I have been pleased to oversee the development of the Council's Asset Strategy, and the project that has emerged from that Strategy.

The Investment Board has seen this project evolve from an early strategic case to a more detailed online business case and then to the final business case which the Investment Board recommended to the Council on 19 May 2020. The project has been through a comprehensive process and has also been a new and sometimes confusing process as we have never been involved in competitive dialogue procurement before which suggests a steep learning curve.

The procurement progress was reported to the Investment Board where we went through various stages and the Member Working Group, advice of the Investment Board Members, and myself as Chair have worked closely with the officers and external professional advisers throughout. Members will recall that one of the priorities of our Business Plan is to maximise our assets and when the Investment Board was created its terms of reference included the words “to ensure the best use is made of our sites and property and that opportunities for co-location and income generating activities explored; maximising both the Economic and Social Value to the District”.

This project will invest in improving heritage sites and invest in community facilities into the District’s town centres. It will avoid the Council taking on very high revenue costs which would otherwise significantly impact on already stretched budgets. This is an investment to save a programme where doing nothing is simply not an option.”

Cllr D J Sperring, Chairman of the Assets Member Working Group stated: “When I first became involved with this project as part of the Member Working Group I was unsure as to what the project was trying to achieve and was worried about doing anything with the Council’s buildings and I was definitely very concerned about moving the Council’s offices and Chamber. I know I was not the only one who had these views. I was, however, open minded and wanted to understand what benefits this project could bring, not only to the Council, but also to residents and the District as a whole. I soon realised that the Freight House and the Mill Arts & Events Centre are tired and although they are both well-loved and important community facilities, they are products of their time and needed to be updated, and certainly not used to their full potential.

To keep these sites operational and to undertake the work necessary to bring them up to a more modern standard would put a huge financial strain on the Council’s budget and this is just to keep them running as they are when we know that they are under-utilised, and thus, this is not a good use of public money. The Council Offices and Chamber in Rayleigh are in similar need of huge financial investment and these spaces do not reflect modern environmental working areas for officers, or Members, and definitely not for residents. For example, the public reception area in South Street is a portacabin and has been there for well over ten years.

We needed to find the most cost-effective way of doing this. This project allows us to realise funds from our old buildings and to cross-fund new

buildings, albeit with some topping up to get a great investment, not only for the District, but one that is also a legacy for our future. Throughout this period we have been able to ask questions, challenge and think about what was needed from this project to achieve the best possible outcome for both residents and the Council. Additionally, we have reviewed the comments made by Members during the meeting of 19 May and done our utmost to ensure that their views and concerns were addressed in full.

I want to assure Members and residents that with our partners we have achieved the best possible outcome. It isn't just about saving money; it's about investing in our future for our District and our residents. Over the last couple of meetings we have been presented with a number of very lengthy and involved legal contracts. Although we read them in full, representative Anthony Collins offered their support and talked us through the contracts and clarified several points which we raised.

We asked numerous questions that were generated by these contracts, ranging from the risks involved from this project and how we could minimise exposure to the Council, the effects of COVID and the new Council working practices, movement in land values - both up and down - the financial standing of our partners, environmental standards, the adequacy of our new community facilities, not to mention the impact on the District as a whole. As far as I am aware, the Working Group has now completed the task for which it was set up and we have worked closely with our partners, Gleeds, and Anthony Collins who have both met and exceeded the Council's due diligence review and have proven track records of being able to progress and fulfil similar projects which we are undertaking and I believe there comes a point where we as clients of these partners must trust in their extensive professional abilities to produce the best possible outcome on our behalf."

Andrew Rowson from the East of England Local Government Association stated:

"I have been working with the Council and supporting on this programme since early in 2019. My role is to be a 'critical friend' to the Council, both to Members and officers and to challenge where necessary to ensure that best practice is possible and that the Council achieves the objectives set out. I have seen first-hand that the Council has conducted a very thorough and robust procurement and that officers and their expert advisers have operated in a professional manner throughout which is evidenced by the quality of all of the reports and papers.

The Council can be reassured that the procurement approach has been well scrutinised by Members through the Member Working Group process. I have had the benefit of attending most of the Member Working Group meetings, so I have seen first-hand how open Members have been and have asked questions and challenged officers where necessary. Finally, I think it is noteworthy that this has been a team effort on behalf of the whole Council. While Members have done their job and been challenging where necessary,

but at the same time, they have provided the all-important political steer and leadership on sensitive issues such as car parking. They have also supported the officer team during what has been a long and arduous process.”

A Member expressed concern regarding the necessary skills not being brought in house and instead outsourced resulting in a higher cost to the Council at a time when finances within the Council are uncertain, along with concern surrounding potential Government restructure along with the impact of COVID-19 which could result in the new Council offices being redundant.

Cllr A H Eves moved a Motion, seconded by Cllr N J Hookway, that the project be paused until the third quarter of next year to be able to consider how working practices have changed dramatically, and to be able to consider the effect this will have on our new offices.

Speaking on the proposed Motion, a Member noted that on page 3.4 of the report, the introduction of the “Stop/Go” points was commendable and asked if the Council could consider a “Stop/Go” point in light of the upcoming Government White Paper and to update the risk log in Item 10 to reflect this rather than to defer.

The Leader of the Council, speaking against the Motion for deferment, emphasised that ASELA and the upcoming Government White Paper were two separate items. The Leader further stressed that the aim of the programme is to rationalise and decrease the size of the Council's office space and to create a new purpose built community centre which would be useful to the public and advised against deferment.

Speaking in favour of deferment, a Member argued that although there would be a new community centre in Rayleigh, residents had not been given the opportunity to speak on this but had received complaints from residents regarding the new Council offices.

A Member speaking in favour of deferment advised that he had been assured that there was no degradation of service as a result of officers working from home during the COVID-19 pandemic; he therefore queried why it was necessary to proceed with the Asset Review project at this time.

Another Member in favour of the Motion advised that while he was aware that a lot of office space would become redundant in the future, RDC would be reducing its office space and thus reducing costs.

Another Member speaking against deferment pointed out that although it is possible for officers to work from home, this may be detrimental to their mental health, and argued that fit for purpose office spaces would be a better alternative.

On a requisition pursuant to Council Procedure Rule 17.4 a recorded vote was taken on the Motion, as follows:-

For (7) Mrs T L Carter; A H Eves; N J Hookway; Mrs C M Mason; J E Newport; C M Stanley; S A Wilson

Against (25) Mrs D L Belton; Mrs L A Butcher; C C Cannell; M R Carter; R R Dray; D S Efde; Mrs J R Gooding; B T Hazlewood; K H Hudson; Mrs J R Lumley; Mrs J E McPherson; D Merrick; R Milne; Mrs C A Pavelin; Mrs C E Roe; Mrs L Shaw; P J Shaw; S P Smith; D J Sperring; M J Steptoe; I H Ward; M J Webb; Mrs C A Weston; A L Williams; S E Wootton

Abstain (0)

The Motion was lost.

In response to a point raised by a Member that the project should be flexible in order to account for any upcoming changes that might occur, another Member highlighted the “Stop/Go” Points previously referred to.

In light of the need for discussion on the detail of the information in the exempt appendices, a Motion was moved that the press and public be excluded from the meeting.

On a requisition pursuant to Council Procedure Rule 17.4 a recorded vote was taken on the Motion, as follows:-

For (26) Mrs D L Belton; Mrs L A Butcher; C C Cannell; M R Carter; R R Dray; D S Efde; A H Eves; Mrs J R Gooding; B T Hazlewood; K H Hudson; Mrs J R Lumley; Mrs J E McPherson; D Merrick; R Milne; Mrs C A Pavelin; Mrs C E Roe; Mrs L Shaw; P J Shaw; S P Smith; D J Sperring; M J Steptoe; I H Ward; M J Webb; Mrs C A Weston; A L Williams; S E Wootton

Against (1) Mrs T L Carter

Abstain (5) N J Hookway; Mrs C M Mason; J E Newport; C M Stanley; S A Wilson

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.

The Leader of the Council thanked all Members, officers and partners for the debate that evening, and assured all that concerns raised by Members had been fully discussed and considered.

On a requisition pursuant to Council Procedure Rule 17.4 a recorded vote was taken on Recommendation 14.1 as follows:-

For (25) Mrs D L Belton; Mrs L A Butcher; C C Cannell; M R Carter; R R Dray; D S Efde; Mrs J R Gooding; B T Hazlewood; K H Hudson; Mrs J R Lumley; Mrs J E McPherson; D Merrick; R Milne; Mrs C A Pavelin; Mrs C E Roe; Mrs L Shaw; P J Shaw; S P Smith; D J Sperring; M J Steptoe; I H Ward; M J Webb; Mrs C A Weston; A L Williams; S E Wootton

Against (6) Mrs T L Carter; N J Hookway; Mrs C M Mason; J E Newport; C M Stanley; S A Wilson

Abstain (1) A H Eves

Resolved

- (1) That the Project Documents for the Asset Delivery Programme be approved:
- (i) the draft Overarching Development Agreement (the “ODA”) set out at Exempt Appendix 1;
 - (ii) the draft Conditional Sale Contract for the Transferring Sites (the “CSC1”) set out at Exempt Appendix 2;
 - (iii) the Gainshare Lock In and Guarantee Agreement (the “Gainshare Agreement”) set out at Exempt Appendix 3; and
 - (iv) the Buyback Option (the “Buyback Option”) as set out at Exempt Appendix 4.

And to delegate the final completion of these draft Project Documents to the Assistant Director, Assets and Commercial, in consultation with the Leader of the Council, including all necessary technical amendments and drafting provided that the final version of the Project Documents shall be substantially in the form as the drafts set out in this report.

A Motion was moved by Cllr S E Wootton and seconded by M J Steptoe to amend the wording of 14.2 to make reference to the Mill Arts & Events Centre site.

On a requisition pursuant to Council Procedure Rule 17.4 a recorded vote was taken on the amendment to Recommendation 14.2 as follows:-

For (25) Mrs D L Belton; Mrs L A Butcher; C C Cannell; M R Carter; R R Dray; D S Efde; Mrs J R Gooding; B T Hazlewood; K H Hudson; Mrs J R Lumley; Mrs J E McPherson; D Merrick; R Milne; Mrs C A Pavelin; Mrs C E Roe; Mrs L Shaw; P J Shaw; S P Smith; D J

Sperring; M J Steptoe; I H Ward; M J Webb; Mrs C A Weston; A L Williams; S E Wootton

Against (0)

Abstain (7) Mrs T L Carter; A H Eves; N J Hookway; Mrs C M Mason; J E Newport; C M Stanley; S A Wilson

The Motion was carried.

Resolved

- (2) To note that the draft Conditional Sale Contract for the Mill Arts & Events Centre site is yet to be drafted but will be in the form of CSC1 (to deal with the element of the Mill Arts & Events Centre site that will transfer to the Developer) with the development obligations from Schedule 1 of the ODA (to deal with the community facilities that the Developer will be providing for the Council) and to delegate the final completion of this document to the Assistant Director, Assets and Commercial, in consultation with the Leader of the Council on the basis set out in this report.
- (3) To note the Preferred Bidder's response to the Preferred Bidder Letter set out at Exempt Appendix 5.
- (4) To note the review of the Final Business Case set out at Exempt Appendix 6.
- (5) To note the Financial Due Diligence Report set out at Exempt Appendix 7.
- (6) To note the Risk Register set out at Exempt Appendix 8.
- (7) To note the Report on Contract setting out the terms of the proposed contractual arrangements for the Asset Delivery Programme as set out in Exempt Appendix 9.

Resolved

- (8) That the appointment of the officers and Leader of the Council to the Partnership Board be on the basis as set out in Appendix 10.

(25 Members voted for the Motion, 6 voted against and 0 abstained.)

(Note: Cllr Mrs Christine Mason asked that it be noted that she voted against the Motion)

- (9) To appoint the Assistant Director, Assets and Commercial as the Council's Senior Responsible Officer for the purposes of this project and to delegate to the officers appointed to the Partnership Board

decision making powers to manage the operational day to day business of the Asset Delivery Programme.

(26 Members voted for the Motion, 1 voted against and 4 abstained)

(Note: Cllr Mrs Mason asked that it be noted in the Minutes that she voted against the Motion)

In response to a Member question as to whether there would be substitutes for the Partnership Panel, the Monitoring Officer confirmed that this would be the case. The following membership of the Partnership Panel was confirmed:

Cllrs Mrs D L Belton; Mrs J R Gooding; R Milne; M J Steptoe; N J Hookway; C M Stanley; and S A Wilson.

(10) To invite Council to appoint membership of the Partnership Panel for the Municipal year of 2020/21 on a pro rata basis as set out in Appendix 11.

(31 Members voted for the Motion, 0 voted against and 0 abstained)

On a requisition pursuant to Council Procedure Rule 17.4 a recorded vote was taken on Recommendation 14.11 as follows:-

For (23) Mrs D L Belton; Mrs L A Butcher; M R Carter; R R Dray; D S Efde; Mrs J R Gooding; K H Hudson; Mrs J R Lumley; Mrs J E McPherson; D Merrick; R Milne; Mrs C A Pavelin; Mrs C E Roe; Mrs L Shaw; P J Shaw; S P Smith; D J Sperring; M J Steptoe; I H Ward; M J Webb; Mrs C A Weston; A L Williams; S E Wootton

Against (6) A H Eves; N J Hookway; Mrs C M Mason; J E Newport; C M Stanley; S A Wilson

Abstain (2) C C Cannell; B T Hazlewood

Resolved

(11) To approve the drawdown from the Hard/Soft Infrastructure Reserve of £70,000 to fund additional programme costs as detailed in the Resource Implications (Section 11). (ADAC)

The meeting closed at 10.55 pm.

Chairman

Date

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