

Commenced – 5.02pm
Concluded – 6.34pm

Corporate Scrutiny and Climate Change Overview and Scrutiny Board
3 June 2013

Present: Councillor Redfern (Chair)
Councillors Dhindsa, Hickson, Holmes, MacDonald, Pegg and Whitby

In attendance: Councillors Bayliss, Poulter and Wood

1/13 Apologies for Absence

Apologies for absence were received from Councillors Carr and Ingall.

2/13 Late Items

There were no late items.

3/13 Declarations of Interest

Councillor Dhindsa sought clarification on the role he was able to play having been a Cabinet Member who was in attendance when the decision due to be considered at the meeting was made. The Monitoring Officer advised that Councillor Dhindsa could provide evidence to assist the board but should not participate in the debate or decision making.

4/13 Call-in Procedure

The Chair introduced the call-in procedure. Following some discussion it was established that there had been some misunderstanding in terms of who the signatories were for the call-in of Council Cabinet decision 213/12, due to be discussed at the meeting, and those for call-in of Council Cabinet decision 210/12, due to be considered on Tuesday 4 June. The Chair stated a desire to ensure the call-in signatories in attendance were given the fairest opportunity to state their case and so stated that the signatories for the purposes of considering Council Cabinet decision 213/12 would be Councillors Barker, Poulter and Wood.

5/13 Call-in of Council Cabinet decision 213/12: Property Disposal Programme

The board had received a copy of reports by the Leader of the Council and Strategic Director of Neighbourhoods detailing the Property Disposal Programme 2013-16, as considered by Council Cabinet on 15 May 2013. The report, which had been approved, recommended a consolidated list of properties for disposal, delegated appropriate responsibilities to the Chief Executive and required that a quarterly update report be brought back to Council Cabinet.

The Chair invited Councillors Poulter and Wood to address the board and detail why they had called in Council Cabinet decision 213/12.

Councillor Poulter suggested that the Council Cabinet decision asked for too much to be done too quickly. He suggested that there was not enough time to ensure the council delivered its duty of securing the best price for the properties, and that it had been done too quickly fill a gap in the council's budget without any consultation.

Councillor Poulter stated that there were no financial details or timescales included in the report, and that it would create pressures for officers to dispose of properties too quickly without securing the best price. He stated that he felt it was being done at the wrong time because the administration had failed to deliver sufficient savings in other ways.

Councillor Poulter stated that there was a very clear budget proposal to raise income through property disposal but that the report failed to satisfactorily detail how this would be achieved. He added that the report also included potential building land and Surestart premises which had not been subject to any consultation, and that the council had a less than exemplary record of disposing of properties.

Councillor Poulter said he felt Councillor Bayliss's public statement that if the programme was unsuccessful then other savings would have to be made was unsatisfactory. He added that local property experts had stated the properties would attract a sale price around 20 per cent lower because of the market conditions.

Councillor Wood opted not to speak at this stage. The Chair invited the board to put questions to the call-in signatories. There were no questions for the call-in signatories.

The Chair invited Councillor Bayliss to address the board and detail why he felt Council Cabinet decision 213/12 was justified.

Councillor Bayliss stated that the report that had been considered by Council Cabinet was an enabling report which consolidated various existing lists of properties for disposal into a single list. He stated that it was a direct result of the previous administration's failure to address the issue that it was being done now.

Councillor Bayliss stated that the budget report agreed by Council had stated the need to dispose of properties. He reminded the board of the recommendation, agreed by Council Cabinet, that matters would be brought back to Council Cabinet so there would be further opportunity to review and scrutinise the detail of decisions relating to individual properties.

Councillor Bayliss countered Councillor Poulter's previous assertion relating to the council's record of property disposal and highlighted successes. Councillor Bayliss also challenged the assertion that property experts had said the timing was wrong, citing that this was based on one comment published in the local press.

Councillor Bayliss stated that the claim by Government in 2010 that the private sector would be in a position to stimulate growth in the market had not materialised, and that it was left for the public sector to do this. He suggested that the council was acting accordingly.

Councillor Bayliss stated that the Council Cabinet had been very open about the proposals, having published them in the budget papers prior to making the decision at Council Cabinet.

The Chair invited members of the board to ask questions of the Leader of the Council and officers.

Councillor Hickson asked Councillor Bayliss to what extent the council's budgets for 2014/15 and 2015/16 were predicated on the disposal of assets detailed in the report. Councillor Bayliss confirmed the disposal of the assets had been identified as a budget saving but stated that the position was variable as the Government had not yet detailed the council's financial settlement.

Councillor Hickson asked Councillor Bayliss if he agreed that most of the properties would not attract the highest value. Councillor Bayliss said that in hindsight the council would have achieved better values by selling the properties several years ago, but that the council would be seeking the best deal it could secure for its interests. Councillor Bayliss added that the council would be talking to purchasers to see where buildings could be recycled if possible.

Councillor Hickson asked Councillor Bayliss if he could rule out that properties would be demolished to avoid paying business rates. Councillor Bayliss said he could not rule out that buildings could ultimately be demolished where there was a satisfactory business case, but that avoiding business rates would not be such a reason. Councillor Hickson suggested that purchasers could opt to do this after buying the properties. Councillor Bayliss said that Councillor Hickson was hypothesising beyond what he could reasonably be expected to answer but asserted that it was his intention to avoid the situation Councillor Hickson was describing.

Councillor Hickson asked Councillor Bayliss how much would be spent in advance to bring properties to a saleable condition. Councillor Bayliss stated that it would vary from property to property but that the principle was as much as was required and could be justified to get the best outcome for the council.

Councillor Hickson asked Councillor Bayliss what the result would be if the programme was to fail. Councillor Bayliss stated that the programme would not fail.

Councillor Holmes asked Councillor Bayliss what the criteria would be in considering the demolition of properties. Councillor Bayliss said it was impossible to give a definitive answer across all properties as such proposals would be considered on a case-by-case basis.

Councillor Holmes asked Councillor Bayliss how he planned to manage what buyers did to properties once they had bought them. Councillor Bayliss responded that one solution would be to place a covenant on a property, but that his intention was that

the council was more creative where possible by entering into talks with potential purchasers on the terms of disposals.

As there were no further questions, Councillors Poulter and Bayliss summarised their cases.

Councillor Redfern invited comments from each board member in turn.

Councillor Whitby agreed that the market conditions were not ideal but stated that there was no guarantee that they would be any time soon. He asked how long the council was expected to wait while it continued to fund the retention of properties of which it was able to dispose. Councillor Whitby agreed that now was the time to commence disposal and stated that he could see no problems in the way in which Council Cabinet had reached its decision.

Councillor Pegg agreed that he could find no fault in the decision reached by Council Cabinet. He identified one example in the list which he was pleased to see included, being the Surestart centre in Mackworth, which had been closed for three years.

Councillor MacDonald said she did not believe any of the council's decision making principles had been breached in Council Cabinet reaching its decision.

Councillor Hickson stated that he believed the council had breached three decision making principles, namely proportionality, a presumption in favour of openness and clarity of aims and desired outcomes. He added that he felt the decision was flawed and should be referred back to Council Cabinet.

Councillor Holmes stated that he agreed with Councillor Hickson's findings, adding specifically that he felt the report considered by Council Cabinet lacked detail.

Following some further discussion, it was moved by Councillor Pegg and seconded by Councillor Whitby that the board resolve to find that no principle under rule OS33 had been breached and no adverse impact under OS40 had been found. This was put to the vote and carried.

The Chair moved that the board request that it be kept updated on the issue by also receiving for information the quarterly report prepared for Council Cabinet on actions that had been taken. This was put to the members and affirmed.

Resolved

- 1) that no principle under rule OS33 had been breached and no adverse impact under OS40 had been found in the reaching of Council Cabinet decision 213/12; and**
- 2) that the board receive the quarterly updates prepared for Council Cabinet on actions taken relating to the Property Disposal Programme.**

MINUTES END