

Time commenced - 6.00pm  
Time finished - 7.40pm

## **SCRUTINY MANAGEMENT COMMISSION 2 DECEMBER 2003**

Present: Councillor Smalley (in the Chair)  
Councillors Bayliss, Bolton, Jones, Latham, Lowe, Repton, Travis  
and Wynn

### **49/03 Apologies for Absence**

Apologies for absence were received from Councillors Brown, Graves and F Hussain.

### **50/03 Late Items Introduced by the Chair**

The Chair agreed to admit an item on a call-in, on the grounds that it needed to be considered before the next scheduled meeting of the Commission.

### **51/03 Minutes**

The minutes of the meetings held on 14 and 20 October 2003 were confirmed as a correct record and signed by the Chair.

### **52/03 Declarations of Interest**

Councillor Latham declared a personal prejudicial interest in Item 5 'Call-In' Minute number 53/03.

### **53/03 Call-In - The Roundhouse and Associated Listed Buildings with Adjoining Land, Pride Park**

In accordance with Overview and Scrutiny Procedure Rule OS36, the Monitoring Officer called in for scrutiny a decision in respect of the Roundhouse and associated listed buildings with adjoining land, Pride Park made my Council Cabinet at their meeting held on 18 November 2003 (Minute No 203/03).

The request for Call-in had been made by Councillors Nath, Repton and Williamson. The Commission was provided with a copy of the letter requesting the Call-in. This was attached to the initial report considered by Council Cabinet on 18 November 2003. The letter stated that the Council Cabinet had failed to take the decision in accordance with Overview and Scrutiny rule OS33 (d), (e) and (f), namely presumption in favour of openness, clarity of aims and desired outcomes and a record of what options were considered and giving reason for the decision or where irrelevant issues do not appear to have been taken into consideration.

It was resolved that Councillor Williamson be invited to present the case for the Call-in. Councillor PJ Hickson, Deputy Leader of the Council and Michael Foote, Director of Corporate Services were present to answer questions relating to the Council Cabinet decision.

Councillor Williamson stated that he did not want to stall the redevelopment of the Roundhouse. He said his reasons for calling in the Council Cabinet's decision were to examine whether there were any other ways of ensuring the Roundhouse was developed sooner than envisaged in the Development Agreement that had been approved by Council Cabinet. He said the options which were listed in the report, were not explored at the meeting and some of them might offer a better deal for the people of Derby. His sole soul concern was to make sure the Council's interests were protected by speeding up the refurbishment of an important piece of Derby's industrial heritage, avoiding unnecessary maintenance and security costs and expediting and maximising a capital receipt to the Council. Councillor Williamson said that he had the following questions which needed to be answered before the decision was finally ratified.

- 1 Had Councillor PJ Hickson and / or Burgess at any time held any private meetings at which Council Officers were not present with the developers or their representatives to discuss the terms of the agreement? Councillor PJ Hickson replied they had not.
- 2 Council Cabinet members were warned in the report to Council Cabinet that this agreement was not a traditional form of agreement. How many times had the Council deviated from traditional development agreements? Michael Foote explained that this was the first time such an agreement had been entered into.
- 3 What is the current market value of the site? Michael Foote explained that a value had been placed on the site by the district valuer, some years ago. This amounted to £750,000. Councillor Williamson then asked if that figure would now have increased. Michael Foote explained that the land value might have increased but the cost of refurbishing the listed building might also have increased due to the further deterioration of the building.
- 4 Was it not the case that the East Midlands Development Agency could have bought the site for its current market value? Michael Foote explained that this was an option which could be pursued through the Urban Regeneration Company or East Midlands Development Agency, but that this would only be the case if the proposed arrangements with Urban Catalyst collapsed.
- 5 Did Michael Foote know whether East Midlands Development Agency's offer was still on the table? Michael Foote explained that the offer would still be on the table but EMDA could only offer the market value.
- 6 Did the agreement provide for the New Build on the site to be carried out first? Michael Foote explained that Zone A, which was principally the New Build zone, was expected to be completed within two years.
- 7 Were Urban Catalyst to abandon this project before the refurbishment and

redevelopment of the Roundhouse had even started? Michael Foote explained that Urban Catalyst could walk away when Zone A was completed. The deal had been structured into Zones which would enable the developer to not proceed with Zone B if this was not financially viable. Councillor Repton was concerned that a developer might pursue the New Build in Zone A and then walk away, leaving the historic listed building to decay. Michael Foote explained that although the developer could walk away, the agreement included safeguards for the Council. If the developer did not proceed, shared profits from Zone A could be used to resolve the issues in Zone B.

- 8 Was it correct that the Council would not get any capital receipt until the end of the project? Michael Foote explained that the capital receipt was deferred through this Agreement. This was different to the rest of Pride Park where the disposal resulted in a capital receipt upfront. The capital receipt was deferred to the end of Zone A or rolled forward in Zone B. It could be up to four years before the capital receipt was received.
- 9 Do the terms of the agreement also mean there was no guarantee the Council would eventually receive the current market value for the site? Michael Foote explained that the Council could end up with less money. If there were significant profits, the Council would receive 50% of any profits.
- 10 If Urban Catalyst abandoned the project before completion, would the agreement still allow them to cream off a 17.5% developer's profit from the New Build development plus any overage? Michael Foote said it would.
- 11 Councillor Williamson said the odds seemed to be stacked in Urban Catalyst's favour in a way that was not previously contemplated. Michael Foote explained that the project had always been a partnership Agreement. Councillor Williamson then asked why the non-traditional Agreement had been entered into as it could mean that in the future that the Council might have to start all over again. Councillor PJ Hickson said that there were no cast iron guarantees with this site and this was why no schemes had started and that other schemes proposed in the past had collapsed. Partnership was the way forward. Council Cabinet were convinced that this scheme would provide certainty.
- 12 Councillor Williamson asked if it were not for this Agreement, was there any reason why the Council could not sell part of the land and use the proceeds to assist the development of the Roundhouse on its own, or through the Urban Regeneration Company? Councillor PJ Hickson responded that East Midlands Development Agency would only be interested if the agreement with Urban Catalyst fell through, beyond that, there had been no interest. He said that any package needed to be attractive and viable. Councillor Williamson asked if the site could be sold to a developer and Michael Foote explained that EMDA would need to agree this. Councillor Williamson asked if there were any problems that could be foreseen. Michael Foote explained that this project offered the best way forward.
- 13 Councillor Williamson asked if the Council would continue to be responsible for the maintenance and security of the Roundhouse and other buildings prior to

their redevelopment? Michael Foote said this was covered in the report. The developer had wanted the Council to be responsible for the listed building but had shifted their position to share responsibility between the Council and the developer. This would have a cost implication to the Council.

- 14 How much had been spent on maintenance and security in the last two to three years? Michael Foote explained that last year there had been significant expenditure as the roof had to be repaired for health and safety reasons. Security costs were in the region of £15,000 per year.
- 15 Councillor Williamson asked what the maintenance and security cost would be to the Council until the Roundhouse had been developed and sold? Michael Foote said it would be around £20,000.
- 16 Asked what other expressions of interest were on the table Michael Foote explained that some interest had been expressed and this had been reported orally at the Council Cabinet meeting. It would take a series of meetings to assess and evaluate proposals for the site. Councillor Williamson suggested that to get the best deal for the people of Derby these proposals merited further consideration by Council Cabinet. He said that prior to the election, it had not been the intention to allow the developer a two year window when no work needed to be carried out on the listed building. He felt that the other options should be explored. He thought that this would be in the best interest of the Council and for the people of Derby. It would bring the Roundhouse back into use quicker and realise the capital receipt sooner.

Councillor Travis stated that she was amazed that the developer had changed their proposals and that officers did not know this or inform the incoming administration. Michael Foote explained that heads of terms for the Development Agreement had been agreed but there had always been the option for the new build profit to be used to fund additional costs arising from the refurbishment of the listed buildings. Income was required to cover the cost of refurbishing the Roundhouse.

Councillor Williamson accepted that the New Build project would partially fund the refurbishment of the Roundhouse but he was concerned about timing and felt that sanctioning a delay in the redevelopment of the Roundhouse would cause further problems. He wanted to see work start on the project in under two years and wanted the extra options now on the table to be considered.

The Chair said that considering the other options could cause further delays. The whole process might need to start again and this would slow down progress even further.

Councillor Williamson accepted that there would be some initial delay but said it would not be as long as two years.

Councillor Wynn expressed concern about potential disengagement by the developer after Zone A was completed and said that the risks and costs related to tackling the listed building were prohibitive. He was concerned that any developer may walk away even with a reduced profit. He felt that all the risk would fall on the

Council and that Urban Catalyst would only pursue Zone B, if they felt it to be financially viable. If Zone A was already developed the subsequent marketing of the Roundhouse would be made more difficult. He said that the Agreement allowed Urban Catalyst to reserve their option on the Roundhouse for £20,000 and he felt that the clarity of the aims and desired outcomes was the issue.

Councillor Repton recommended that the matter be returned to Council Cabinet so that the options could be reconsidered as this would give the people of Derby a better deal.

Councillor Travis said she did not feel the options should be changed. She recommended the Council Cabinet be asked to see if they could tighten up the Agreement.

The Commission then considered whether Council Cabinet had complied with the principles of decision making set out in Overview and Scrutiny Rule OS33 when making the decision and reached the following conclusions:

OS 33 (d) The presumption in favour of openness. Not proven that there had been any contravention.

OS 33 (e) Clarity of aims and desired outcomes. Proven because the proposed agreement with Urban Catalyst did not guarantee the developer would refurbish the Roundhouse.

OS 33 (f) A record of what options were considered and giving the reasons for the decision or where relevant issues to not appear to have been taken into consideration. Proven because options outside those in the report had not been considered.

## **Resolved**

- 1 that the matter be returned to Council Cabinet in order that they can reconsider the options.
- 2 that Council Cabinet be asked to see if they can tighten up the terms of the Agreement with Urban Catalyst

(Having declared a personal prejudicial interest in the above item, Councillor Latham left the meeting during the decision and voting thereon).

## **Items for Discussion**

### **54/03 2003/04 Budget Scrutiny – Summary of the Overview and Scrutiny Commission's Recommendations**

The Commission considered a report from the Chair of the Scrutiny Management Commission which set out a summary of the Overview and Scrutiny Commission's recommendations, in relation to the 2003/04 budget.

## **Resolved**

- 1 To refer to Council Cabinet the Scrutiny Management Commission's budget scrutiny recommendations and those of the other Overview and Scrutiny Commission's, which had so far been carried out including referring the Corporate Parenting Sub Commission's recommendations to the Council Cabinet.
- 2 To agree that the recommendations of the Community Regeneration Commission be passported directly to the Council Cabinet when they are approved in January 2004.

## **55/03 Spotlight on Scrutiny Conference 16 October 2003**

The Commission considered a report from the Director of Corporate Services which stated that a Spotlight on Scrutiny Conference had taken place on 16 October 2003 at the Assembly Rooms, Derby. The keynote speaker was Dr Jane Martin, Executive Director for the Centre for Public Scrutiny and the conference was Chaired by the Vice Chair Councillor Graves. The Leader of the Council, Councillor Burgess delivered the introductory speech and there were presentations by Overview and Scrutiny Co-ordination Officers, covering working towards effective scrutiny, building relationships and diary of a topic review. The afternoon workshop session provided a simulation of a scrutiny review, with delegates splitting into four groups to interview witnesses and produce recommendations. Feedback from delegates was positive, particularly for the practical workshop exercise. The profile of Derby City Council and its achievements with scrutiny was raised.

## **Resolved**

To note the report.

## **56/03 Scrutiny Management Commission – Work Plan Development**

The Commission considered a report of the Chair of the Scrutiny Management Commission which stated that the Commission, at its meeting on 14 October 2003, had considered a proposal to commission an external consultation to investigate the public's views on postal voting and concluded that the investigation should be conducted through the medium of the Derby Pointer Panel. The next Derby Pointer Panel survey would be carried out in early 2004 and the results would be available in March or April 2004. In order to progress the Commission's work plan, it was therefore suggested that work on the Commission's second topic review for 2003/04 be commenced in January 2004. This was a short duration topic on the possible duplication of posts within the Council, which was agreed by the Commission at its meeting on 29 July 2003. It was anticipated that the review would be completed before the Pointer Panel results became available in March / April 2004.

## **Resolved**

To commence the short duration topic on the possible duplication of post within the Council in January 2004.

### **57/03 Development of an Interactive Training Aid for Local Authorities**

The Commission considered a report from the Chair of the Scrutiny Management Commission which stated that there had been very positive feedback from the Spotlight on Scrutiny event, which the Council ran on 16 October 2003. The afternoon session of the event comprised of a role play exercise that simulated a scrutiny review. The delegates who completed the assessment forms gave a high rating to the role play exercise. The role play exercise was developed in-house and it had been suggested that with some further development it could form the basis of a computer based interactive training aid. Such a training aid could be used to provide new Council members with in depth training in a number of skills relating to Overview and Scrutiny. It could be used by individual members at home or for group training sessions. Once established, the basis of the role play exercise could be adapted relatively easily to offer different training scenarios.

There was at present an absence of training aid for scrutiny and if the Council were to develop one, it was likely it could find a commercial market which would generate income for the Council. As a training aid would be computer based, it was possible that a bid could be made for funding from the e-Derby budget.

It was proposed that a small group comprising members of each political group and officers from Democratic Services, ICT and performance and employee development, be convened to investigate the possible development of the computer based interactive training package. This group would report its findings to the Commission, at its meeting in early 2004.

## **Resolved**

To approve in principle, the development by the City Council of an interactive training aid for local authorities, subject to a further report on the detailed implications.

## **Responses of the Council Cabinet to any reports of the Commission**

### **58/03 Call-In – Wood Road / Wayfaring Road, Oakwood**

The Commission considered the response from Council Cabinet on the Call-in of land at Wood Road / Wayfaring Road, Oakwood. The Council Cabinet had upheld their original decision to not dispose of the land at Wood Road / Wayfaring Road, Oakwood and to leave it as open space for the benefit of residents. They also agreed in principal to designate the land as open space but to ask officers to investigate the practicalities of doing so.

## **Resolved**

To note the report.

### **59/03 Forward Plan – December**

There were no relevant items for discussion in the Forward Plan.

## **Matters Referred to the Commission by Council Cabinet**

### **60/03 Draft Council Vision and Priorities – 2004/05**

The Commission considered a joint report from the Chief Executive and Director of Finance which stated that the Council Cabinet, at its meeting on 18 November 2003, had approved the draft statement of vision and priorities as the basis for further consultation. The Statement would form part of the Council's budget and policy framework and therefore, it had been referred to this Commission for comment. The Vision and Priorities would describe the actions the Council would take to deliver each element of the Council's vision, with appropriate performance measures and highlight more specific actions to achieve the Council's priorities in the short to medium term. The draft statement would help officers in preparing that plan. The draft vision and priorities would be subject to on going consultation in parallel with the budget process and would be formerly adopted when Council approve the corporate plan 2004/07 at its meeting on 1 March 2004. Councillor PJ Hickson, Council Cabinet Member for Performance Management, Economic Development and Housing attended for this item

Councillor Bayliss stated that the vision statement was too long and needed to be more succinct. Councillor PJ Hickson stated that, as Derby was a large major city, it needed a comprehensive vision. The Chair stated that the vision statement needed to be longer than one line. Councillor Bayliss felt that the people of Derby needed to be able to remember the vision. Councillor PJ Hickson stated that the public needed to understand what the vision was about, with enough detail to back up the vision, without being unduly long.

Councillor Wynn asked, in relation to Priority for Change 2, how the Council expected to achieve the priority 'Make sure we respond to people's needs appropriately on time and first time by developing a customer focus culture and using new technology in investment in the Council's buildings to provide modern working environments for service delivery and employees'. Councillor PJ Hickson reported that a service access review was being undertaken which focussed on delivery for the twenty first Century. He stated that things had moved on since The Council House was built in the 1930s and it needed to be adapted to make it fit for purpose and modern service delivery. Councillor Repton asked if The Council House would not be used. Councillor PJ Hickson stated that the Council needed to make sure the building was fit for purpose. Councillor Repton asked if the building was fit for purpose. Councillor PJ Hickson reported that use of the Council House presented problems as there had been changes

over the last 70 years in the way in which the public and the Council interacted. The review was ongoing and no decisions had yet been made. Councillor Latham had suggested that the Council Cabinet be congratulated on the good ideas and that the Commission supports the vision and priorities for change being taken forward.

### **Resolved**

To congratulate Council Cabinet on the draft Visions and Priorities 2004/05 and inform them that the Scrutiny Management Commission supports them being taken forward.

(Councillors Bayliss, Bolton, Repton and Wynn requested that their votes against the decision be recorded).

Chair of the next ensuing meeting  
at which these minutes were signed