

COTSWOLD DISTRICT COUNCIL

COUNCIL
(SPECIAL MEETING)

27TH JUNE 2019

Present:

Councillor Dilys Neill - Vice-Chair (in the Chair)

Councillors -

Stephen Andrews	Roly Hughes
Mark Annett	Sue Jepson
Julian Beale	Julia Judd
Claire Bloomer	Richard Keeling
Tony Berry	Juliet Layton
Ray Brassington	Andrew Maclean
Patrick Coleman	Nick Maunder
Tony Dale	Richard Morgan
Andrew Doherty	Richard Norris
Jenny Forde	Gary Selwyn
Joe Harris	Lisa Spivey
Mark Harris	Clive Webster
Nikki Ind	

Apologies:

Gina Blomefield	Robin Hughes
Rachel Coxcoon	Nigel Robbins
Mike Evely	Ray Theodoulou
Stephen Hirst	Steve Trotter

CL.11 DECLARATIONS OF INTEREST

Councillor Mark Harris declared an interest in the exempt item of business on the agenda, as Chair of the Council's Parking Board. The Board had been looking at parking around the town including parking in the vicinity of the site under discussion as part of the exempt agenda item.

Councillor Forde declared a similar interest, in her capacity as a member of the Parking Board.

Councillor Berry declared an interest in the exempt item of business on the agenda, as he had been aware of the availability of the site and a potential transaction for some time, in his former role as Council Leader.

There were no declarations of interest by Officers.

CL.12 EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED that under Section 100A(4) of the Local Government Act 1972 the public and Press be excluded from the Meeting for the following item of business on the grounds that it involves likely disclosure of exempt information as defined in paragraph (3) of Part I of Schedule 12A to the said Act (Information relating to financial or business affairs) and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information concerned.

CL.13 PROPERTY MATTER

The Council was asked to consider and decide whether or not to ratify the bid made (under the urgent business provisions contained within Council Procedure Rule 37) for the strategic acquisition of a property in Cirencester and, if agreed, to determine the terms on which to progress the acquisition.

The circulated report set out detailed background information, including the circumstances that had led to the initial bid being made and the considerations that had been taken into account in agreeing to submit such bid; the strategic nature of the potential acquisition; redevelopment options in the short and longer terms; the financial implications, and likely investment return; key risks; and the on-going discussions in relation to possible Heads of Terms and associated matters. A document was circulated which detailed minor typographical amendments to the recommendations.

The Leader thanked Members for their attendance at what was an unexpected but very important meeting. He explained that the potential acquisition was strategically significant, but acknowledged that it represented a major commitment on the part of the Council. The Leader also thanked Councillor Berry for his involvement in earlier discussions prior to the election. The Leader expanded on the strategic potential of the purchase, and how it could enable a much broader and much needed re-development of a wider area. The Leader concluded by formally proposing that the purchase should be pursued as recommended; and the proposition was duly seconded.

The Business Manager (Assets) drew attention to the investment potential relating to the site; short-term options; risks and benefits; and the advantages of the Council securing future control of the site.

The Chief Finance Officer referred to, and expanded upon, the financial implications set out within the report, and confirmed that this was not an investment opportunity in the short-term and there would be a cost to the Council of borrowing and administering this site. She also highlighted the risks relating to future rental income.

Officers then responded to a range of questions relating to the aspirations and needs of the vendor; negotiations thus far between the vendor's representatives and the Council's property advisers; potential benefits in relation to the future Cirencester Master Plan going forward; the associated risks, including the financial modelling undertaken to date; and the VAT position. It was also confirmed that, should the acquisition proceed, the Council could choose to work with one or more partners going forward.

During the ensuing debate, a number of Members expressed support for the project, and acknowledged the strategic significance of the proposal, and its potential for delivering a range of benefits. However, some other Members expressed concern at the suggested acquisition price; and the speed at which the Council was being asked to make decisions on such an important issue.

An amendment was proposed and seconded to support the acquisition of the site at a reduced price. A further amendment was proposed and seconded that that should any financial variance exceed £100,000, or in the event of a negative financial outcome in relation to the business plan, or if due diligence was inconclusive, then the matter should be brought back to Council for further debate.

The Head of Paid Service explained that this was an exceptional strategic opportunity for the Council, which could enable it to secure a greater control over the future development of the largest town in the District. The valuation of the site had been carried out by agents who had previously advised the Council, and in whom officers had confidence in terms of pricing, advice and possible terms. With particular regard to pricing, it was understood that an offer at the value suggested would be rejected; and that it was unlikely that the Council would be able to compete in any open market sale. Whilst acknowledging the risks identified, he suggested that a significant risk existed in that if the Council did not seek to acquire the site, it might never get the opportunity to do so again and would lose the opportunity to gain control of a pivotal site for the future development of the town. He also reiterated the benefits of remaining open to working with any developer in the future.

The Head of Paid Service stressed that extensive due diligence would be carried out in order to protect the interests of the Council and its residents. He gave his personal assurance that he would not exercise any powers delegated to him if outcomes were not going to be met, if the financial burden was to increase, or if the Council was to be placed at greater risk. In essence, any variations would be brought back to the Council, with a further special meeting being arranged if necessary; and he also drew attention to a holding item placed on the agenda for the Council meeting on 3 July 2019 in case further debate was required.

In the light of the assurances given by the Head of Paid Service, the amendments were withdrawn.

In accordance with Council Procedure Rule 16.6, a request was made for a recorded vote to be taken on the proposition, and this request was supported by the requisite number of Members.

Upon being put to the vote, the Motion was CARRIED, with the Record of Voting being as follows:-

For: Councillors Claire Bloomer, Ray Brassington, Patrick Coleman, Tony Dale, Andrew Doherty, Jenny Forde, Joe Harris, Mark Harris, Roly Hughes, Nikki Ind, Juliet Layton, Andrew Maclean, Nick Maunder, Dilys Neill, Gary Selwyn, Lisa Spivey, and Clive Webster - Total 17;

Against: Councillors Mark Annett, Julian Beale, Tony Berry, Sue Jepson, Julia Judd, Richard Keeling, Richard Morgan, and Richard Norris - Total 8;

Abstentions: Councillor Stephen Andrews - Total 1;

Absent: Councillors Gina Blomefield, Rachel Coxcoon, Mike Evemy, Stephen Hirst, Robin Hughes, Nigel Robbins, Ray Theodoulou, and Steve Trotter - Total 8.

RESOLVED that:

- (a) the Council agrees to progress with the purchase of the identified properties, as detailed in the circulated report, as a strategic asset for future economic development purposes with the purchase price as stated within such report;**
- (b) a relevant sum (as identified within the circulated report) be included in the Council's Capital Programme for 2019/20 for the purchase price and associated purchase costs, with the capital to be funded from Usable Capital Receipts, revenue reserves and prudential borrowing;**
- (c) the associated lease arrangements (as identified within the circulated report) be approved;**
- (d) the Council enters into negotiations with the vendor on potential relocation opportunities and progresses work on a planning application submission for the site, including provision of temporary car parking;**
- (e) the Council allocates £175,000 from the revenue part of the approved funding for the Waterloo car park to progress the planning application, and prepares a business case for approval;**
- (f) delegated authority be granted to the Head of Paid Service, in consultation with the Monitoring Officer, Chief Finance Officer, Leader and Deputy Leader of the Council, to finalise terms for the acquisition of the property and complete all legal documentation;**
- (g) delegated authority be granted to the Chief Finance Officer to update the Capital Strategy, Investment Strategy and Treasury Management Strategy to reflect the earlier use of Useable Capital Receipts and prudential borrowing;**
- (h) the revenue budget be updated to include income and costs of ownership.**

Record of Voting - for 17; against 8; abstentions 1; absent 8.

Note:

The Head of Paid Service reminded Members that, given on-going discussions/negotiations, the matter remained confidential matter and should not be discussed in the public arena.

The Meeting commenced at 6.00 p.m. and closed at 7.35 p.m.

Chair

(END)