

Southend-on-Sea Borough Council

Department of the Chief Executive

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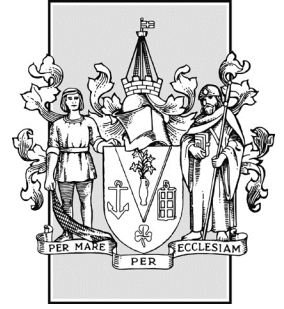
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POLICY AND RESOURCES SCRUTINY COMMITTEE - WEDNESDAY, 31ST JANUARY, 2018

Please find enclosed a copy of the questions from members of the public and the responses given at the meeting of the Policy and Resources Scrutiny Committee on Wednesday, 31st January, 2018.

Agenda No Item

3. Questions from Members of the Public (Pages 1 - 6)

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Policy & Resources Scrutiny Committee – 31st January 2018
Public Questions

Question from Mr D Webb to to the Portfolio Holder for Corporate & Community Support Services, Cllr Andrew Moring

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Question 1

“Over the past 5 years I have been continually asking questions at the three scrutiny and full Council meetings. In these meetings Councillors can ask questions, and make a statement to the response and make another question. Question: Why and how can public questions in scrutiny meetings only where the public can make a short timed response to the questions and then make a supplementary question be implemented?”

Answer

Council Procedure Rules (CPR) 6A and 6B enable a member of the public to ask 2 questions at full Council, Scrutiny Committees and the Health & Wellbeing Board – and to receive an answer to each question.

A Councillor is also able to ask 2 questions at full Council meetings under CPR 6A.3. However as an elected representative of the people, a Councillor has an additional right to ask a supplementary question.

This is an entirely reasonable approach in a system of representative democracy.

Question from Mr D Webb to to the Portfolio Holder for Culture, Tourism & the Economy, Cllr Ann Holland

Question 2

“In September monthly report the Community Safety indicators show that the council and its partners target the key areas which are causing the Borough most harm. Question: what are the areas and the crime and how is the Conservative, which partners are involved. What strategies are going to be put in place to combat these?”

Answer

The Council and its partners - Southend's Community Safety Partnership (CSP) - are currently reviewing crime and disorder priorities as part of its statutory obligation to undertake a Strategic Intelligence Assessment (SIA) of the Borough. A new plan will then be formulated to address those priority crime areas identified for 2018/2019. Strategies to

address crime priorities will continue to include a robust partnership response to any issue based on information and intelligence collation.

Current area of focus by the Council and its CSP partners is the Town Centre, where a range of activity has and continues to take place to address problems associated with street drinking, begging and homelessness. This will remain a priority for the Community Safety Partnership throughout 2018.

The Council works in partnership with Essex Police, National Probation Service, South Essex Homes, Essex Fire and Rescue, Health Service, and Essex Police Crime Commissioner Office, along with a range of other third sector and private agencies to tackle crime in Southend.

Question from Mr P Miller to to the Portfolio Holder for Housing, Planning & Sustainability, Cllr Mark Flewitt

Question 3

“The Southend Central Area Action plan identifies several development sites in the footprint covered by the plan. A significant site within the plan is Seaway car park.

The original scheme for the site contained an element of residential property, which Councillor Woodley having declared that the site had gone out to the open market then conceded he was misinformed, stated that the residential element had been removed.”

Answer

There is no longer an intention to provide residential accommodation within the Seaway scheme, there will be no sale of residential land and the Council will retain the freehold interest in the whole site.

Question from Mr M Thwaites to the Portfolio Holder for Corporate & Community Support Services, Cllr Andrew Moring

Question 4

“In regard to the development at Seaway car park (SCAAP report), it is my understanding that on fourth November 2014 Mr Paul Bird of Savills wrote to Mr Alan Richards at Southend borough council, this was subsequent to a previous report from Savills dated June 2013. The purpose of the letter was to ratify that the agreement for lease and sale of 'The Seaway Car Park', represented best consideration. Given that

Mr Tim Deacon of Turnstone was until 2011 employed by Savills, surely this would have been considered as a potential conflict of interest that Savills may have had in this matter? In particular how was it that Savills were selected to make their initial report and provide this opinion, how was the potential conflict of interest missed/ignored, reviewed, recorded and concluded and by whom?"

Answer

Savills were appointed following a tender process as required at this level of value. Savills best grasped the brief and demonstrated they had the skills to act for the Council and proposed a fair and appropriate fee to do so.

Savills undertook a conflict check prior to appointment and confirmed that "We have undertaken a conflict of interest check and confirm that we believe there is to be no conflicts of interest by accepting the instruction and we will therefore be acting as independent external advisors."

Sometime has passed since the transaction was certified for best consideration therefore we will be commissioning an up-to-date certification shortly.

Question from Mr P Thompson to the Portfolio Holder for Corporate & Community Support Services, Cllr Andrew Moring

Question 5:

"One of the justifications officers have used in selecting Seaway for development was that parking income was falling. The financial heads of terms agreed by the council for the lease of Seaway car park in effect mean that there will be no rent reviews on this council asset. The rental income will be fixed at £282k p/a. Once inflation has been considered, in real terms the value of this rental income will slowly decrease each year. In contrast to this, parking income from Seaway since 2011 has increased 67%. At this current rate of growth parking revenue would increase to £1.5mn in 10years time. How can a deal that has no rent reviews and thus no potential income growth, set at such a low rent be acceptable to the council?"

Answer:

In the run up to entering in to the Agreement car parking income across the borough was decreasing and so the Council needed to supplement the under-performing parking revenue. Therefore the Council's strategy

was to reduce reliance on falling parking revenue and to seek to stabilise the income stream by gearing it to all income generated by the development which is what has been achieved.

This is a long-term scheme and the Council will benefit in the long term from a more stable income linked to property rents as well as parking income rather than the less predictable parking income alone. The Agreement provides for regular rent reviews to ensure income growth. Save for some staff time, all the Council's costs will also be reduced as the development including the car park will be privately managed.

Aside from the property deal itself, the Council will also receive very significant business rates income from the development which will far exceed the current income figures and the scheme is within the Southend BID area generating an additional levy for the BID.

Question from Mr P Lovett to the Portfolio Holder for Corporate & Community Support Services, Cllr Andrew Moring

Question 6

"Is the decisions made in respect of the redevelopment Seaway Car Park of financial benefit to the residents & rate payers of Southend?"

Answer

This is a long-term scheme and the Council will benefit in the long term from a more stable income linked to property rents as well as parking income rather than the less predictable parking income alone. The Agreement provides for regular rent reviews to ensure income growth.

Question from Mr P Thompson to the Portfolio Holder for Corporate & Community Support Services, Cllr Andrew Moring

Question 7

"The Dec 2006 Drivers Jonas valuation report on the Rossi Factory put the market value of the site at £850k. Renaissance Southend instructed the valuers to also provide a valuation based on the site being developed into a residential development of 24 flats. Based on this residential development the valuation was £1.56mn. The council's stated intention for this site has always been to create an open space between the high street and Seaway. Why did the council purchase the Rossi factory for £1.55mn when the market value of the factory, as per the report, was £850k?"

Answer

The Council purchased the site for the value which Drivers Jonas considered an appropriate RICS Red Book value for the site, including its development potential which was the price at which the site was available. The £850,000 value was the value of the site continuing in use as a factory and the land was not conveyed with any restrictions on the title limiting the use in this way.

The Council, Renaissance Southend, The East of England Development Agency and the vendor were all in agreement to the purchase price and the basis on which it was assessed.

Question from L Dulieu to the Portfolio Holder for Corporate & Community Support Services, Cllr Andrew Moring

Question 8

“Drivers Jonas valued the market rent on the Rossi Factory site at £67,500 p/a in its Dec 2006 red book valuation. What proportion of the £282k p/a rental income agreed with Turnstone for the Seaway development site does the council apportion to the Rossi Factory site and does this represent a satisfactory return on investment for the £1.55mn purchase price the council paid for the Rossi site?”

Answer

The income being from the Rossi Factory was £20,000 p.a. as part of the acquisition arrangements. The lease was for a short term with no security because the land was acquired for redevelopment. This rent was agreed as part of the whole transaction because the lease was only available on a short term basis while Rossi identified premises to relocate to. There were variations in rent over the period of occupation between £20,000 p.a. and £30,000 p.a. The lease offered no business security and all the occupational liabilities and the liabilities of stripping the premises back to the shell on vacation sat with the tenant to reduce the cost of demolition for redevelopment. These works were completed when Rossi vacated the building as agreed.

The land was specifically acquired for redevelopment together with Seaway Car Park.

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