

SOUTHEND-ON-SEA BOROUGH COUNCIL

Meeting of Policy and Resources Scrutiny Committee

Date: Wednesday, 1st December, 2021

Place: Council Chamber - Civic Suite

Present: Councillor D Garston (Chair)
Councillors S Habermel (Vice-Chair), A Bright*, D Cowan, J Courtenay*,
T Cox, M Dent, S George, M Kelly, D McGlone, K Mitchell*, J Moyies,
D Nelson, I Shead, A Thompson, S Wakefield and P Wexham

*Substitute in accordance with Council Procedure Rule 31.

In Attendance: Councillors I Gilbert, P Collins, C Mulroney and R Woodley (Cabinet Members), P Bates, A Richards, J Williams and S Tautz

Start/End Time: 6.30 pm - 10.35 pm

505 Apologies for Absence

Apologies for absence were received from Councillor S Buckley (Substitute: Councillor J Courtenay), Councillor T Cowdrey (Substitute: Councillor K Mitchell) and Councillor M Davidson (Substitute: Councillor A Bright).

506 Declarations of Interest

The following interests were declared at the meeting:

- (a) Councillors I Gilbert, P Collins, C Mulroney and R Woodley (Cabinet Members) - Interest in the called-in items; attended pursuant to the dispensation agreed at Council on 19 July 2012, under S.33 of the Localism Act 2011.
- (b) Councillors I Gilbert, P Collins, C Mulroney and R Woodley (Cabinet Members) - Interest in the referred items; attended pursuant to the dispensation agreed at Council on 19 July 2012, under S.33 of the Localism Act 2011.
- (c) Councillor D Nelson – Minute 510 (Seaway Leisure) – Member of a team that competes in a visually impaired tenpin bowling league - Non-pecuniary interest.
- (d) Councillor P Wexham – Minute 513 (SO46 Report) Trustee of Beecroft Art Trust - Non-pecuniary interest.

507 Questions from Members of the Public

There were no questions from members of the public relating to the responsibilities of the Committee.

508 Minutes of the Meeting held on 7 October 2021

Resolved:

That the minutes of the meeting of the Committee held on 7 October 2021 be confirmed as a correct record and signed.

509 Annual Report - Comments, Complaints and Compliments 2020/21

The Committee considered Minute 424 of the meeting of the Cabinet held on 2 November 2021, which had been referred directly to each of the three scrutiny committees, together with a report of the Executive Director (Legal and Democratic Services that provided performance information about comments, complaints and compliments received across the Council for 2020/21.

Resolved:

That the following decisions of the Cabinet be noted:

- “1. That the Council’s performance in respect of comments, complaints, and compliments and Ombudsman investigations for 2020/21, be noted.
2. That the matter be referred to all three Scrutiny Committees (Sections 4 and 5 of the submitted report referred to the People Scrutiny Committee only).”

Note: This is an Executive Function
Cabinet Members: Councillor P Collins (Overarching), Councillor C Nevin (Section 4) and Councillor L Burton (Section 5).

510 Seaway Leisure

The Committee considered Minute 417 of the meeting of the Cabinet held on 2 November 2021 that had been called-in to the Policy and Resources Committee, together with a joint report of the Deputy Chief Executive and Executive Director (Finance and Resources) that proposed a financial and commercial structure to enable the delivery of the Seaway Leisure development whilst also providing greater ownership and an improved, long-term sustainable commercial return for the Council.

The Leader of the Council undertook to provide a written response to questions raised by members of the Committee prior to the next meeting of the Council, with regard to any requirement for the seasonal closure of some car parking facilities at the proposed Seaway Leisure development specified in the grant of planning permission for the development.

Resolved:

- (1) That the following decisions and recommendations of the Cabinet be noted:

- “1. That the significant economic benefits that the proposed Seaway Leisure development will bring as outlined in the approved 25 February 2020 Cabinet report and that the project is a clear Council commitment and a Southend 2050 Roadmap project, be noted.

2. That it be noted that the Council has commissioned CBRE to undertake a review of the development, specifically in relation to the elements at a) to c) below:

- a) Undertake financial due diligence on Turnstone Estates Ltd (and its company structure, including Turnstone Southend Ltd, the subsidiary special purpose vehicle for Seaway Leisure) and to advise on their suitability as a partner for the Council;

- b) Review the proposed Seaway development and its appropriateness including reviewing the anticipated economic benefits; and

- c) Look at the most suitable and deliverable funding models for the development and consider the risks and benefits associated with them.

3. That officers proceed with the final negotiations of terms with Turnstone Southend Limited (TSL), and Turnstone Estates Ltd (as parent company guarantor as appropriate) to enable the proposition to be presented to the funding market on the basis set out in sections 7.12 to 7.15 of the submitted report and at the same time proceed to secure the necessary legal and financial advice on those terms to robustly protect the Council's position.

4. That it be noted that officers will update terms with Homes England in relation to the grant funding associated with the Rossi Factory, 1-3 and 29 Herbert Grove, having regard to the proposed revisions.

5. That it be noted that officers will look to identify grant funding opportunities which enable the Council's proposed equity investment to be reduced and/or replaced with grant funding.

6. That authority be delegated to the Executive Director (Finance and Resources), in consultation with the Leader of the Council and the Cabinet Member for Corporate Services and Performance Delivery, to:

a) approach the market for funding at the relevant time;

b) finalise and agree (with independent advice as required) any final terms following responses to the proposition from the funding market; and

c) authorise any relevant actions including the execution of all necessary documentation including that arising from the decisions in 2 to 5 above and recommendation 8 below.

7. That it be noted that the Executive Director (Finance and Resources) will report the exercise of the above specific delegations to a relevant Cabinet meeting.

Recommended:

8. That the use of up to a maximum of £10m (Ten Million Pounds) of the Council's capital reserves as equity in the proposed development to enable the different and significantly improved commercial terms as illustrated in the Financial Implications section of the report, and thereby significantly reduce the Council's financial risk and an improved annual income stream, be approved." ||

(2) That, in accordance with Council Procedure Rule 39, the matter be referred to full Council for consideration. ||

Note: This is an Executive Function save that the recommendation in 8 above constitutes a Council Function.

Cabinet Members: Councillor I Gilbert and Councillor P Collins

511 Exclusion of the Public

Resolved:

That, under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the item of business set out below (Seaway Leisure - Confidential Matters), on the grounds that it would involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A to the Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

512 Seaway Leisure - Confidential Matters

The Committee considered confidential matters in relation to Minute 510 above. The Committee moved into Part 2 business in order that the confidential matters concerning the proposed Seaway Leisure development could be discussed. The Committee moved back into Part 1 for the decision on these matters and the remaining items of business.

513 SO46 Report

The Committee considered Minute 429 of the meeting of the Cabinet held on 2 November 2021, which had been called-in to the Policy and Resources Scrutiny Committee, together with a report setting out action that had been taken in accordance with Council Procedure Rule 46 in respect of the former Beecroft Art Gallery building in Station Road, Westcliff.

The Executive Director (Legal and Democratic Services) expressed a preliminary view that the decision taken under Council Procedure Rule 46 (CPR 46) not to exercise the right of first refusal to purchase the former gallery building, did not constitute a key decision. The Executive Director agreed that the position would be confirmed to all members of the Committee and that the full CPR 46 consultation letter would also be circulated.

During consideration of the matter the hour of 10.00pm having been reached the Committee, in accordance with Standing Order 44.2, agreed to proceed with the remaining business on the agenda.

Resolved:

(1) That the following decision of the Cabinet be noted:

“That the submitted report, be noted.”

(2) That the Committee notes with concern that the executive decision not to exercise the right of first refusal to purchase the former Beecroft Gallery building in Station Road was dealt with under CPR46, rather than as a decision of the Cabinet.

(3) That the Cabinet be recommended that all future reports advising of action that has been taken in accordance with CPR46, should include the full decision letter prepared for consultation with the relevant Cabinet Member(s), rather than just a summary of the action taken.

Note: This is an Executive function
Cabinet Member: As appropriate to the item

514 Association of South Essex Local Authorities - Joint Committee

The Committee received the draft minutes of the meeting of the Joint Committee of the Association of South Essex Local Authorities (ASELA) held on 28 October 2021.

Resolved:

That the draft minutes of the meeting of the Joint Committee of the Association of South Essex Local Authorities held on 28 October 2021, be noted.

515 Joint In-Depth Scrutiny Project 2021/22

The Committee received a report of the Executive Director (Legal and Democratic Services) on progress with regard to the joint in-depth scrutiny project for 2021/22.

It was reported that work on the in-depth scrutiny project had been delayed as a result of recent events and that the next meeting of the Project Team was due to be held on 15 December 2021 when members would receive presentations around the improvement of

the 'My Southend' platform and the Council's website. The Committee was advised that it might also be necessary for the Project Team to review the timescale for the delivery of the scrutiny project.

Resolved:

That the report be noted.

Note: This is a Scrutiny function

Chair: _____