Place Scrutiny Call-in 11th June 2025

Note: the following minutes focus on the challenge from members – for the full discussion, the recording of the meeting is at <u>Agenda for Place Scrutiny</u>

<u>Committee on Wednesday, 11th June, 2025, 5.30 pm - Modern Council</u>

Attendees:

Councillors: Jane Lucas, Lisa Dymock, Jackie Strong, Tomos Davies, Martyn Groucutt, Tudor Thomas, John Crook, Louise Brown, Simon Howarth, Rachel Buckler, Ben Callard, Alistair Neill, Angela Sandles, Laura Wright, Richard John, Steven Garratt

Officers:

Paul Matthews, Peter Davies, Nick Keyse, Matt Gatehouse, Sharran Lloyd, Jane Harvey, Hazel Ilett, Robert McGowan

1. Apologies for Absence.

Apologies were received from Councillor Emma Bryn, who was being substituted by Councillor Simon Howarth.

2. Declarations of Interest.

None received.

3. Public Open Forum.

The Chair welcomed everyone to the meeting. There were five speakers at the Public Open Forum, which included two representations made by Councillors of Abergavenny Town Council and three separate inputs from members of the public. A video that had been submitted by a resident in advance of the meeting was also shown and a written representation was read out by the Scrutiny Manager on behalf of another resident. There was a significant public presence at the meeting, both in the public gallery and on the landing where observers were able to view the live stream.

The various contributions made to the Public Open Forum highlighted the following:

Abergavenny Town Council:

 Abergavenny Town Council expressed strong support for the Muslim Association's plans, citing Abergavenny's tradition of religious tolerance and the importance of equality for all faiths. They noted that the Muslim Association has committed to maintaining the building and keeping it in community ownership. They advised that the Muslim Association is already active in the town and aims to create an inclusive centre open to all.

• They noted that Abergavenny has been a sanctuary town for diverse communities, including Syrian, Afghan, and Ukrainian families.

Residents and Businesses:

- Several speakers questioned the repurposing of the Carnegie Library, a historically significant building originally intended for public use as a library.
- Several speakers criticised the process for lacking transparency and suggested there was a need for public consultation.
- Some residents and trustees advised that they had only learned about the proposal through social media.
- Residents spoke of the impact on them and raised concerns about noise, light pollution, and disruption to elderly and vulnerable residents in nearby almshouses, while echoing concerns about safety, especially at night.
- Several speakers highlighted existing parking congestion and potential traffic issues, causing disruption to local businesses and deliveries.
- A speaker questioned the fairness of granting a 30-year lease to the Muslim Association compared to shorter leases for other community services.
- A speaker called for halting the process until a full public consultation is conducted.

4. Call-in of the decision taken by Cabinet on the 21st May 2025 in relation to the letting of the former Abergavenny Library.

The Chair thanked the members of the public for their contributions and explained that the Committee would now begin formal debate of the call-in. She asked the Scrutiny Manager to briefly explain the call-in process that would be followed at the meeting, in accordance with the Council's Constitution. The Scrutiny Manager advised that the meeting had been scheduled to debate a decision that had been made but had not taken effect concerning the letting of the former Abergavenny Library. The Call-in process and order of speaking was explained to all who were present.

The Cabinet decision report provides full context of the key issues relating to the decision taken on 21st May 2025, accessed via <u>Agenda for Cabinet on Wednesday, 21st May, 2025, 4.30 pm - Modern Council</u>. For context however, the decision that had been resolved by Cabinet on 21st May 2025 was to accept the following recommendations:

That Cabinet agrees the following:

- (i) To award the lease tender to Monmouthshire Muslim Community Association.
- (ii) To delegate authority to the Chief Officer for Resources to negotiate the lease in accordance with the tender award.

The Chair asked the members who had called in the decision to present their reasons for calling in the decision, as stated in the Call-in Request Form:

1) Lack of Proper Scrutiny/Due Process and Community Consultation:

- This decision was made without being presented to the appropriate Scrutiny Committee(s) prior to Cabinet approval. Given the sensitivity, scale, and length of the lease, this represents a significant failure of democratic oversight.
- Public interest decisions of this magnitude should go through full scrutiny to ensure community consultation and transparency.
- Democratic community engagement is necessary in view of the lack of public scrutiny due to no planning approval being needed so that residents/ businesses/faiths and the general public do not have the usual opportunity to comment on issues such as traffic congestion, parking, noise and restrictions on hours of operation.
- The Council and Forward Plan was amended on the 21st of October 2024 on the Future of the Abergavenny Library for a report to Cabinet on the 6th of November 2024. It was not on the Place Committee agenda of the 21st October 2024, and the next meeting was on the 7th of November 2024 after the Cabinet report of the 6th of November 2024.
- The Cabinet report of the 6th of November 2024 details the positive impact which was not reflected in the invitation to tender with the proposal to offer the site for community or commercial use to enhance the availability of opportunities that are open, accessible and of interest to people of all ages and abilities.
- In addition, the item has not been kept on the Council and forward planner for the period it should have been and not even included in the Place Committee agenda of the 22nd of May when other Cabinet reports of the 21st of May were included.

 The Invitation to Tender underlined the Planning Status with its current D1 use class (as a library) but did not fully detail commercial options on change of use including retail and wholesale use, despite the covenant on the land allowing for such use.

2) **Questionable Timing and Limited Market Exposure:**

- The property was marketed for only four weeks in December 2024, during a well-known period of reduced public and business engagement due to the festive season.
- This limited window may have inhibited fair market exposure, potentially impacting the breadth and quality of submissions.

3) **Best Value and Financial Sustainability Concerns:**

- A lease of 30 years for £500 per month (£6,000 per annum) on a prominent, centrally located historic building raises serious Best Value concerns under the Local Government Act 1999, which places a duty on local authorities to "make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness."
- Although a tender offered the same rental figure, it is unclear whether this reflects true market value. There has been no independent valuation, and a 30-year commitment without such due diligence is premature.
- Lack of Certainty over the need for a council building over such a long period.

The Call-in Members outlined their reasons for calling the decision in (as above) and made the following additional points:

Councillor Howarth

- Councillor Howarth emphasised the importance of transparency and proper process in Council decisions. He noted that the library was not included in the planner for the Council's scrutiny meetings, which prevented members from discussing its transfer to asset management.
- Councillor Howarth highlighted that the decision to transfer the library to asset management was made without giving Council members the opportunity to scrutinise and discuss it. He suggested that previous decisions were removed from the planner, which he believed undermined transparency and accountability.
- Councillor Howarth called for changes in the Council's constitution to ensure that decisions remain on the planner and are subject to proper scrutiny.
- He expressed concern that the lack of consultation and transparency has let down the people of Monmouthshire and Abergavenny.

Councillor Buckler

- Councillor Rachel Buckler emphasised the historical and cultural significance of the Carnegie Library to the town of Abergavenny.
- She highlighted the lack of community consultation and engagement regarding the decision to convert the library into a mosque.
- Councillor Buckler shared feedback from residents who felt disconnected, ignored, and stressed about parking issues and the lack of information provided to them.
- She criticised the decision-making process, noting that residents were first informed through the local paper or Facebook, which she found unacceptable.
- Councillor Buckler questioned the appropriateness of granting a certificate of lawfulness for the building without proper scrutiny and community input.
- She raised concerns about the financial viability and due diligence of the decision, including the lack of details on grants and funding.
- Councillor Buckler called for higher standards of transparency and scrutiny in Council decisions, reflecting the expectations of Monmouthshire residents.

Councillor Louise Brown

- Councillor Brown emphasised the importance of scrutiny, due process, and community consultation in Council decisions.
- She highlighted the lack of public scrutiny due to the decision not requiring planning approval, which prevented residents and businesses from commenting on issues like traffic, parking, and noise.
- Councillor Brown suggested there were procedural irregularities, such as the library's disposal not being listed on the Council's forward planner for the scrutiny meeting, which she viewed as a breach of procedural rules.
- She suggested there had been limited marketing exposure of the property, noting that it was marketed for less than four weeks during a period of reduced engagement due to the festive season.
- Councillor Brown questioned the financial aspects of the decision, arguing that the
 rent of £6,000 per year was significantly lower than the market value, which she
 estimated to be between £20,000 and £25,000 per year. She called for an
 independent valuation of the property and suggested that the Council should use
 a specialised agent to facilitate the disposal, as outlined in the Council's asset
 management strategy.
- Councillor Brown emphasised the need for community consultation before drafting the lease, rather than after, to ensure transparency and public input.

The Chair invited the Cabinet Member, Councillor Callard to formally respond. In doing so, Councillor Callard made the following key points:

- Councillor Callard explained that the decision to award the lease was brought to Cabinet to give it more visibility, even though it could have been made by officers under delegated powers. He noted that the Council has entered into many leases without pre-award scrutiny or call-ins, suggesting that this process was consistent with past practices.
- Councillor Callard emphasised that the building was declared surplus, and the
 decision was not called in at that time. The tender process was transparent, and
 the highest-scoring bid was selected. He argued that requiring scrutiny for every
 lease would be impractical and counterproductive, potentially delaying the use of
 Council assets.
- Councillor Callard addressed concerns about parking, acknowledging the issue, but stating that the building's location was suitable for its proposed use, with nearby car parks available. He mentioned that the Muslim Community Association (MMCA) was aware of the need to mitigate parking impacts and planned to conduct community outreach after the lease was signed.
- Councillor Callard defended the marketing period, stating that the number of tenders received indicated sufficient market exposure. He argued against the need for independent valuation or external agents, citing the Council's in-house capabilities and the financial constraints. Councillor Callard expressed confidence in the MMCA's commitment to the community and their ability to maintain the building.

The Chair invited Nick Keyse, the Development Manager for Estates and Sustainability to provide additional comments:

- Nick clarified that long lease agreements are standard for community assets, as
 they provide assurance for securing grant funding from organisations such as the
 National Lottery and Sports Wales. He explained that grant funders require longterm leases to ensure their investments are protected and not subject to changes
 in use.
- Nick added that the final terms of the lease, including aspects like break clauses and rent reviews, are still to be negotiated and delegated to officers. He noted that a break clause could undermine the assurance needed for grant funding, suggesting that such clauses might not be included in the final lease terms.

Key points raised by the Committee Members and visiting Members:

The Chair invited questions initially from the Committee Members and then from other Members present, which were answered by Councillor Callard and Nick Keyse.

• Councillor Davies emphasised the importance of ensuring that the lease agreement aligns with the Council's fiduciary duty to act in the taxpayers' best financial interest. He referenced a February 2023 asset management paper that identified the Carnegie Library as a priority for commercial opportunities, estimating its rental value at £25,000 to £30,000 per annum or a potential sale value of over £300,000. He questioned whether the proposed lease agreement aligned with the goal of maximising the commercial potential of the property. He enquired if there was another tender that was deemed more commercially viable than the successful one. He also asked about the number of leases that achieved market rates among the 37 leases entered into by the Council since 2022.

Councillor Callard acknowledged that the tender did not achieve the commercial value initially estimated, but emphasised the importance of supporting community assets, even if it means foregoing some income. He confirmed that the successful tender was the most financially competitive among the shortlisted tenders. Councillor Callard did not have specific data on how many of the 37 leases achieved market rates but suggested that this information could be reviewed at a performance and overview scrutiny committee meeting.

- Councillor Groucutt expressed pride in the Council's commitment to making Monmouthshire and Abergavenny a community of sanctuary, highlighting the positive integration of people from conflict areas into the local community. He emphasised that the proposed mosque would serve multiple purposes, including being an educational, social, economic, and recreational centre, not just a place of prayer. He noted the significant growth of the Muslim population in Monmouthshire and their important role in the community, particularly in Abergavenny with its major hospital. He mentioned the inappropriate past use of the building as a pupil referral unit and argued against leaving the building empty to deteriorate. He supported the idea of the building being used by the Muslim community, seeing it as a positive contribution to the town.
- Councillor Brown reiterated her concerns around the limited marketing period of less than four weeks during the festive season, which may have impacted the breadth and quality of submissions. She questioned the financial viability of the lease, noting discrepancies between the estimated market rent and the actual lease amount. She reinforced her view that there was a need for an independent valuation and a period of community consultation before finalising the lease. She stated that the invitation to tender did not fully detail the range of potential uses for the property, which could have impacted the best consideration obtained.

Councillor Callard acknowledged the challenges of consultation when entering into leases and emphasised the need to take well-reasoned actions that benefit the community. He mentioned that the building was offered on a full repairing lease,

which is a significant investment and may not be attractive to all businesses. Councillor Callard argued that the proposed use of the building as a community centre and mosque would bring people into the town centre, benefiting local businesses without competing with them. He reiterated that the tender process was fair and transparent, and the successful tender was the most financially competitive among the shortlisted tenders. Councillor Callard suggested that the Council's financial situation necessitates using in-house resources for valuations and marketing rather than hiring external consultants.

 Councillor Howarth repeated his concerns about the lack of transparency and proper scrutiny in the decision-making process. He questioned the consultation process, asking if Abergavenny Town Council or other consultees were involved before the Cabinet meeting. The member expressed frustration with the timing of decisions, noting that the scrutiny committee meeting was held the day after the Cabinet meeting, which did not allow for proper review.

Councillor Callard explained that the delegation of powers for awarding leases typically falls to officers, but the decision was brought to Cabinet to give it more visibility due to the importance of the building. He mentioned that the decision to declare the property surplus was not called in, suggesting that concerns should have been raised at that stage. Councillor Callard argued that bringing every lease decision to scrutiny would be counterproductive and hinder the Council's ability to function effectively as a landlord. He acknowledged the issues with parking but emphasised that the building's location is well-served by nearby car parks and that the Muslim Association is aware of the need to mitigate the impact on the local community. Councillor Callard clarified that the consultation with the community would occur after the lease is signed, as it provides certainty for the group to conduct outreach. He confirmed that the consultees for the Cabinet report are listed at the bottom of the report and that he made a courtesy call to the Principal Officer of Abergavenny Town Council when the papers were published.

• Councillor Dymock questioned the duration of the lease and at what point a 30-year lease was agreed. She expressed concerns about the lack of consultation and transparency, suggesting that this is a recurring problem that needs to be addressed. The member asked what steps were taken to assess whether the limited marketing period would result in a fair representation of potential leases. She enquired why the property was not consistently kept on the Council's Forward Planner. The member sought clarification on how the Council plans to ensure ongoing transparency and engagement post-decision.

Councillor Callard explained that the decision to declare the property surplus was made in Cabinet and reiterated that the decision could have been called in at that stage. He explained that the 30-year lease term was part of the tender submission

and not something initially offered by MCC. He mentioned that the long lease term allows the tenants to access grant funding, which is essential for maintaining and investing in the building. Councillor Callard emphasised that the lease agreements include mechanisms to review certain aspects, ensuring value for money and compliance with the terms. He highlighted that many of the county's heritage buildings are maintained through grant funding, which long leases help secure. He emphasised that the Council is not in the business of keeping empty buildings and will dispose of assets when prudent to do so. He also acknowledged the challenges of consultation when entering into leases and questioned the operational feasibility of bringing every lease decision to scrutiny. He suggested that post-decision scrutiny might be more appropriate but emphasised the need for well-reasoned actions that benefit the community. Councillor Callard reiterated that the building was offered on a full repairing lease, which is a significant investment and may not be attractive to all businesses.

 Councillor Buckler questioned the adequacy of the consultation process, expressing that many people were unaware of the decision and felt that consultation after the decision was not acceptable. She emphasised the importance of the Carnegie Library to the community and questioned why the residents of Abergavenny were not asked about their preferences for the building's use. The member reiterated that the call-in was made because the process did not involve sufficient community engagement.

Councillor Callard acknowledged the challenge of ensuring everyone is aware of Council decisions, noting that many people are busy with their lives and may not follow Council activities closely. He defended the decision to elevate the matter to Cabinet, arguing that it was a step towards giving the decision more visibility. Councillor Callard explained that it is difficult to find a use for the building that would satisfy everyone and emphasised the responsibility of elected members to make decisions in the best interest of the community. He suggested that taking the decision to full Council would not have changed the outcome and reiterated his confidence in the process followed.

The Chair invited the local ward Member Councillor Laura Wright to make a statement:

Councillor Wright

Councillor Wright expressed her support for the decision to lease the old library building to MMCA, noting that she voted in favour of the lease at her first Cabinet meeting. She emphasised the importance of scrutiny and transparent decision-making, but defended the established procedures followed in awarding the lease. Councillor Wright highlighted that the proposal from MMCA scored highest in the evaluation matrix, which assessed demand, viability, use suitability, and financial standing. She

acknowledged the concerns of residents and businesses about the lack of consultation but pointed out that MMCA has committed to community engagement before occupying the building. Councillor Wright referenced the concerns about parking, noise, and light pollution, stating that MMCA representatives would be willing to meet with residents to address these issues. She reiterated that the lease was awarded based on a competitive process and that the chosen proposal met the Council's duties on financial optimisation and community well-being. Councillor Wright concluded by urging committee members to support the decision, emphasising the social value and inclusivity that the lease would bring to the community.

Exclusion of the Press and Public

The Chair asked the Scrutiny Manager to explain the grounds for moving into a closed session, if desired by the Committee. The Scrutiny Manager explained the process to the public and those in attendance, citing the Local Government Act 1972, which allows the exclusion of the public for the discussion of exempt information, providing that an officer has made an assessment that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

The Chair asked the report author to make an assessment of the public interest and to advise the committee on the basis for the exemption. She explained she would then request the committee to accept the officer's determination and vote on it before moving into an exempt session.

The Proper Officer specified that the grounds for exemption are based on paragraph 14 of the Local Government Act, which related to information concerning the financial or business affairs of any particular person, including the authority holding that information. He confirmed that this assessment supports moving into a closed session to discuss sensitive financial or business information.

The committee voted to move into closed session by a vote of 5-4. A short break took place whilst the press and public were asked to leave the meeting. Councillors Wright and Garratt left the meeting.

Part 2 of the Meeting (Public) ~ Formal outcome of the scrutiny

The Chair welcomed the public back into the meeting. Thanks were given to the Cabinet Member and officers. The Chair expressed the Committee's appreciation to the members of the public for their contributions and their time in attending.

The Chair advised the Committee that they had three options available to them, which were:

- 1. To accept the decision
- 2. To refer the decision to the Cabinet Member for reconsideration (with reasons)
- 3. To refer the decision to full Council.

The Committee voted on the above options. Following the vote, the Committee agreed to refer the decision back to Cabinet Member for reconsideration, for the following reasons:

The Cabinet Member is requested to carry out a re-tender process with the following stipulations:

- Independent Valuation: An independent valuation of rental income should be carried out.
- **Tender Time Frame**: A reasonable time frame should be agreed upon for the tender process.
- **Building Survey**: An independent building survey should be undertaken to ascertain the condition of the building and the costs of necessary works.
- Maintenance Compliance: Ensure the building is maintained to comply with its importance, allowing potential bidders to have full possession of the facts so they can bid accordingly.
- **Community Consultation**: Community consultation is essential, involving local residents and businesses in decisions about the Carnegie Library building.
- **Historic Importance**: Proper consideration is given to the building's historic and monumental importance to Abergavenny and its people.
- **Reconsider Selling**: The potential sale of the building should be reconsidered and included in the consultation process with the people of Abergavenny.

The votes were recorded as follows:

- Four Members voted to accept the Cabinet Member's decision.
- Four Members voted to refer the matter to the Cabinet Member with reasons.
- One Member voted to refer to Full Council.

The Chair exercised the right to a casting vote in referring the matter back to the Cabinet Member (Option 2).

The meeting closed at 20:49.