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MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Economy and Development Select Committee held at Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA on Tuesday, 5th January, 2016 at 12.00 pm

PRESENT: County Councillor S. Jones (Chairman)
County Councillor S. White (Vice Chairman)

County Councillors: D. Edwards, D. Evans, B. Hayward and A. Wintle

Also in attendance County Councillor(s): D. Blakebrough, A. Easson, R. Harris, J. Higginson, S. Howarth, P. Murphy, V. Smith, F. Taylor and P. Watts

OFFICERS IN ATTENDANCE:

Hazel Ilett	Scrutiny Manager
Nicola Perry	Democratic Services Officer
Peter Davies	Head of Commercial & People Development
Mark Hand	Head of Planning
Deb Hill-Howells	Head of Community Led Delivery

APOLOGIES:

County Councillor J. Prosser
Roger Hoggins – Head of Operations

1. Declarations of Interest

There were no declarations of interest made by Members.

2. To consider a call-in in relation to the Cabinet Decision dated 2nd December 2015 'Sale of Old County Hall site, Croesyceiliog - Revised bids'. The following papers are attached for Members consideration:

The Chair welcomed all present and introduced the following officers from Torfaen County Borough Council:

Robert Murray	Principal Planning Officer
Adrian Wilcott	Principal Planner
Victor Mbvundula	Asset and Disposal Manager

The Chair advised that the meeting had been convened to consider a Call-in request in respect of the Cabinet decision taken on 2nd December 2015 in respect of 'The sale of the old County Hall site, Croesyceiliog – revised bids'.

The Scrutiny Manager advised the Committee on the process as outlined in the Constitution. The purpose was to consider the appropriateness of a decision that had already been taken by the Executive, a decision that had been called-in by Members. Members were advised that the Committee was not able to make a decision themselves but were able to do one of the following:

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Economy and Development Select Committee held at Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA on Tuesday, 5th January, 2016 at 12.00 pm

1. Accept the Cabinet's decision.
2. Refer the matter back to Cabinet for re-consideration (with reasons).
3. Refer the matter to Council for consideration.

The Chair invited Members who requested the call-in to briefly outline their reasons for calling in the decision. The following points were noted:

- Members requested assurance that the best deal for Monmouthshire had been negotiated, particularly in respect of the value of the land. MCC own half the land, alongside Torfaen County Borough Council and had paid half the demolition and negotiation costs but Members were concerned that we were not receiving half the land value.
- There were concerns that TCBC would be in receipt of Section 106 funds and long term revenue through Council Tax, but MCC share of the land value was reducing.
- There were concerns surrounding the market value of the land due to changes since the original bid, referring to the Police Headquarters site and the removal of the ancient woodland status.
- Reference was made to the benefit in kind from the planning application.
- Concerns were raised that the negotiations started in February had now ceased and new report had come forward referring to a new bidding process for the site.
- There were concerns that the increase in site, including the woodland, had not gone to full tender, which may have attracted more interest.
- There were concerns that there was no mention in the report that MCC would pick up the legal bill from TCBC.
- The value of the site was gauged by the developer having taken into account Section 106 and affordable housing requirements and under the current proposal MCC would receive 50% of the net value of the site, not gross value. TCBC would not only benefit from the capital receipt, but also from up to 66 affordable homes and Section 106 agreements.
- Members requested complete clarity on the costs incurred.

The Chair invited the Cabinet Member to provide a response.

The Cabinet Member thanked Members for the questions and advised that the position with regards to the transaction had been set out at the beginning of the period when the site was to be disposed of. It had been determined that MCC would be responsible for the demolition of the site and TCBC for the marketing and disposal of the site, which had been reasonable as the site was situated within Torfaen. Officers from TCBC were invited to respond to the Members questions during which time the following points were made:

- With regards to the value of the land, we were informed that TCBC had first started working with colleagues from Gwent Police as the allocation in the LDP was for both sites. Following a number of meetings the situation changed significantly with the introduction of the Police and Crime Commissioner. MCC and TCBC had then had to decide whether they were prepared to wait for the review or to proceed and market the site. The decision to market the one site was taken as it may have been two or three years until the decision was made to include the Police site.
- The offer put forward at this point was considerable higher than previously and officers were comfortable with the offer to both councils.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Economy and Development Select Committee held at Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA on Tuesday, 5th January, 2016 at 12.00 pm

- TCBC Policy Planners advised that in terms of the woodland, it would not increase the development area, there would still be a need for wildlife, as well as sound barriers from the dual carriageway.
- The Section 106 policy was thought to be fully justified and were the same standard regulations as MCC.
- Officers expressed that as the site was situated in Torfaen the effects of that development would be in that localised area.

The Head of Planning of MCC clarified that the Section 106 was not a financial benefit to Torfaen but money that had to be spent to offset the infrastructure development costs, and to extend the school for an increase in the number of children.

The Chair invited comments from Members of the Economy and Development Select Committee.

A Member questioned if both authorities were involved with the original negotiations. We heard that offers had been received and based on initial discussions, a preferred bidder had been recognised. The outcome of this meeting would determine if both authorities would enter into detailed negotiations.

The Head of Community Led Delivery assured Members that the management of the project was in conjunction with Monmouthshire and Torfaen. The Head of Operations for MCC sits on the project board and officers were comfortable with the process.

A concern was raised that MCC were picking up additional expenses through the demolition, and TCBC were picking up the benefits.

The Head of Community Led Delivery advised that all costs had been equally split. MCC had managed the demolition contract through the Property Services team which had been offset with Torfaen 50% funding of the costs. It was expressed that it was important to understand that we would only ever receive the net developer value. Torfaen Officers referred to the CIL charges being introduced in Torfaen, which would reduce the capital receipt. The Head of Planning agreed that depending on the levy set by Torfaen, the planning contributions could be higher and therefore land receipts lower.

A Member highlighted that the reason for the call-in was to establish if MCC was receiving the best value for the site because if the benefits in kind. There was a concern that the when the decision to sell the site was made Torfaen were working under a different LDP, and there had been a far lower requirement for social housing than the 30% being discussed presently. Officers responded that the 30% figure had been in place since 2011 and had been fully justified and scrutinised.

The Head of Community Led Deliver explained that the actual land value was based on what we are able to realise in terms of the market, abnormal development costs and planning gain costs would be deducted to give the net value of the site. Without the planning consent we would not achieve the net value. The net value has to include the planning costs.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Economy and Development Select Committee held at Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA on Tuesday, 5th January, 2016 at 12.00 pm

A Member referred to a statement in the Torfaen report that referred to the area of woodland. It was noted that the buffer for the woodland had reduced to 10 metres for woodland, which would increase the developable area.

A Member raised concerns with reference to fairness and stated that negotiations had devalued the land and MCC residents may have the view that MCC was subsidising a Torfaen development. It was questioned that as TCBC would gain from the benefit of an increase in Council Tax, if there was room for negotiation to agree to transfer an agreed amount of money on completion of the development. In response TCBC officers advised that as a planning authority Torfaen treated all landowners consistently. The Cabinet Member advised that the suggestion would be impossible to achieve within the legal framework.

A Member requested clarification on the total costs to date incurred in the disposal and demolition jointly, and MCC alone.

It was confirmed that the outline planning application covering the whole site had been withdrawn after a period of time and had not been fully granted. The Section 106 would need to be signed in a timely manner and was therefore not granted at that time. Members requested confirmation on the date of withdrawal and amount of the Section 106.

In order to assure Members of the costs to Monmouthshire to date officers would ask the Head of Operations to provide further information.

Members reiterated that there had been a lack of Member input with reference to negotiations.

The Chair advised the Committee that following the detailed discussion, Members needed to consider the way forward it was necessary to choose one of the following options:

1. Accept the Cabinet's decision,
2. Refer the matter back to Cabinet for re-consideration, with reasons,
3. Refer the matter to Council for consideration.

It was proposed, and duly seconded that the decision be referred back to Cabinet for re-consideration. Upon being put to the vote, the proposal was carried.

We resolved that the 'Sale of Old County Hall Site – revised bids' be referred back to Cabinet for re-consideration.

The meeting ended at 1.35 pm