
SCRUTINY COMMITTEE

MINUTES of the Meeting held in the Council Chamber, Swale House, East Street, Sittingbourne, Kent, ME10 3HT on Wednesday, 8 February 2017 from 7.00 pm - 10.08 pm.

PRESENT: Councillors Mike Baldock, Cameron Beart (Substitute for Councillor Derek Conway), Andy Booth (Chairman), Lloyd Bowen (Vice-Chairman, in the Chair), Richard Darby (Substitute for Councillor Mick Galvin), Mike Dendor, Mark Ellen, Mike Henderson, Ken Ingleton, Nigel Kay, Samuel Koffie-Williams, Peter Marchington and Ben Stokes.

OFFICERS PRESENT: Jo Millard, Bob Pullen, Nick Vickers and Emma Wiggins.

ALSO IN ATTENDANCE: Councillors Mike Cosgrove (Cabinet Member for Regeneration), James Hunt (Deputy Cabinet Member for Regeneration), Roger Truelove and Ghlin Whelan.

APOLOGIES: Councillors Derek Conway and Mick Galvin.

1179 FIRE EVACUATION PROCEDURE

The Chairman drew attention to the fire evacuation procedure, as set out on the agenda.

1180 MINUTES

The Minutes of the Meeting held on 26 January 2017 (Minute Nos. 1141 – 1145) were taken as read, approved, and signed by the Chairman as a correct record.

1181 DECLARATIONS OF INTEREST

No declarations were declared.

1182 UPDATE ON SITTINGBOURNE TOWN CENTRE REGENERATION

The Vice-Chairman-in-the-Chair welcomed the Cabinet Member for Regeneration, the Deputy Cabinet Member for Regeneration, the Interim Director of Regeneration and the Head of Finance to the meeting.

The Cabinet Member for Regeneration thanked the Scrutiny Committee for their questions on the Sittingbourne Town Centre Regeneration, and explained that much of the information requested had been reported to previous meetings including Cabinet and Council meetings, Members could view the reports and minutes of those meetings. He added that work to demolish the old depot site had recently commenced.

The Chairman invited Members to ask questions.

Members sought clarification on the role of Essential Land as a silent partner and how much Swale Borough Council (SBC) could control the project. The Cabinet Member referred to information contained in historical reports and advised that the project was not managed or controlled by SBC. The Head of Finance added that U+I and Quinn Estates attended meetings, and he agreed to provide information on the guarantor position of Essential Land.

A discussion ensued which included the following points:

- Further clarification on partners/consortium and their financial strength required;
- what was Essential Land's financial interest?;
- clarification on the funding agreement and the awarding of the tender;
- information referred to in historical reports should have been provided;
- clarification on whether SBC were clients of Spirit of Sittingbourne or the consortium partners (U+I and Quinn Estates);
- suggestion that SBC should have an agent to oversee the scheme;
- lack of financial detail and information in reports;
- lack of information to hand; and
- confusing terminology in the response to questions in the report.

In response, the Cabinet Member for Regeneration stressed that information had already been provided in previous reports and this could be provided by Democratic Services. The Council was a strategic partner in the scheme – it was not a Council-managed project in the traditional sense. The Head of Finance advised that Quinn Estates and U+I had financial liability for each other for the rental income as part of the Funding Agreement, and there was a guarantee on unlet restaurants for two years. He added that the financial interest for Essential Land was a matter for the consortium, and that Quinn Estates and U+I were guarantors on any properties not rented on completion. He pointed out that only approximately 15% of the total rental income had not been signed up, two years in advance.

There was a discussion around the tender objective and the Cabinet Member for Regeneration stated that the purpose of the tender was initially to develop the centre of Sittingbourne, to bring more retail development and included the cinema and restaurants. He added that 70% of the retail spend of Sittingbourne residents was outside Sittingbourne and the drive was to retain retail spend, create more jobs and a better experience for residents and visitors. The Head of Finance said that initially SBC were not funding the project, but it was of financial benefit to invest, fund and own some of the retail and leisure assets. The Interim Director of Regeneration clarified that Spirit of Sittingbourne were the consortium and there was no agent. The Cabinet Member for Regeneration said that the Council had

engaged advisers to assure and challenge decisions, and the Head of Finance added that professional advisors would be used when development commenced.

It was noted by the Chairman that there had been minimal time, and it was resource intensive, to research responses to questions. A Member reminded the Cabinet Member for Regeneration that questions were not always given in advance of meetings.

There was a discussion on the Development Agreement and the Cabinet Member for Regeneration advised that SBC did not have the capacity or skills to produce its own. The Interim Director of Regeneration added that Spirit of Sittingbourne was responsible for delivering the project and tender, and although not part of the tendering process, SBC did make comments after the tender had been awarded.

A Member sought further detail on the response to question six and the Cabinet Member for Regeneration advised that progress on legal, financial and property, due diligence had been made. The Head of Finance added that the decoupling of decisions on retail and leisure was currently being worked on, retail tenderers had been received, the funding agreement should be finalised by the Council's advisors, Pinsent Masons, by the end of March 2017 and advisors Turnberry Estates were considering financial risks.

In response to a question from a Member on SBC's objectives for the project, the Cabinet Member for Regeneration highlighted the following aims:

- To encourage the 70% of residents that shop outside Sittingbourne to spend within Sittingbourne;
- to improve retail facilities;
- to improve leisure facilities;
- to improve community cohesion and create better opportunities; and
- to improve resources.

A Member asked if there was ongoing communication with Tesco and in the discussion that followed, the Interim Director of Regeneration confirmed communication in connection with The Forum car park was ongoing. The Cabinet Member for Regeneration advised that there had previously been a Cabinet report regarding the marketing of The Forum and the Head of Finance said he would raise the issue of the sale of The Forum at the next U+I meeting. The Deputy Cabinet Member for Regeneration clarified the location of the car park.

In response to a question from a Member, the Cabinet Member for Regeneration advised that SBC were working with Kent County Council (KCC) Highways and Transportation and a communications plan should be developed within the next six weeks. The Interim Director of Regeneration added that SBC were working with U+I to improve communication to residents on highways and utility works.

In response to a question from a Member, the Interim Director of Regeneration advised that, in accordance with the SELAP (South East Local Enterprise Partnership) funding agreement, some elements of the scheme needed to be committed by the end of March 2017, and some utilities work was imminent. She added that the highway design detail for the area in front of the station was being worked on.

There was a discussion on car park capacity, and the response to question ten, and the Cabinet Member for Regeneration referred to a previous Cabinet report. Whilst information was continually changing, he agreed to provide the most recent figures there were for the estimated number of additional visitors per day expected, the parking agreement with Travel Lodge and Light, and an up-to-date plan of proposed development. The Deputy Cabinet Member for Regeneration advised that some data for car parks was provided within planning applications.

A Member raised concern, and asked for a detailed response, on the risk assessment carried out on the cinema, and highlighted risks which included the impact on surrounding restaurants if the cinema failed. The Cabinet Member for Regeneration agreed to provide this information. Another Member requested an updated Risk Register and Critical Path Analysis. The Head of Finance reminded Members that it was already agreed at the Cabinet Meeting on 7 December 2016 that further due diligence would be carried out.

In response to a question from a Member relating to access to documents within the partnership, Democratic Services agreed to investigate and report back.

There was a discussion relating to the frequency of expected updates on the Sittingbourne Town Centre Regeneration at future Scrutiny Committee meetings, and the Cabinet Member for Regeneration was concerned at the tight deadlines and the burden this would place on officers whose primary role was to expedite the scheme.

The Chairman clarified the issues raised that required further response from the Cabinet Member for Regeneration:

- The role of each partner in plain English;
- what was the specific purpose of the silent partners?;
- glossary of terms used including client partner/development partner;
- who was expected to deliver the project?;
- information on Risk Assessment dependencies;
- footfall and car elements information; and
- reports, plans and diagrams highlighted in the discussion.

The Chairman thanked the Cabinet Member for Regeneration, Deputy Cabinet Member for Regeneration, Interim Director of Regeneration and Head of Finance for their attendance.

1183 REVIEWS AT FOLLOW-UP STAGE AND LOG OF RECOMMENDATIONS

The Policy and Performance Officer introduced the report.

Members expressed disappointment at the Cabinet response to the Leisure and Tourism recommendations from the Cabinet Meeting held on 1 February 2017. Members were advised that the Leader had agreed to meet with the Chairman of the Scrutiny Committee to discuss the matter.

1184 OTHER REVIEW PROGRESS REPORTS

Leisure and Tourism

This item was discussed under item 6, Reviews at follow-up state and log of recommendations.

Housing Services

The Policy and Performance Officer advised that further work was taking place on the draft report and a further draft would be presented to the next Scrutiny meeting on 22 March 2017.

Development Management

The Policy and Performance Officer advised that dates and times had been set for members of the Task and Finish Group to visit and observe Planning Committees at three other authorities and work was ongoing to provide the group with analysis and performance data in order to assist the review.

1185 CABINET FORWARD PLAN

The Chairman referred to the updated Forward Plan (March 2017 – June 2017)

In response to a question from a Member on the Property Asset Strategy 2017-2020 on page two, the Policy and Performance Officer advised that the Property Asset Transfer Scheme would be discussed at the next Policy Development Review Committee scheduled for 21 February 2017.

A Member referred to the Extension to CCTV Partnership Agreement on page four, and raised concern about its adequacy. Members suggested CCTV as a future review item. The Policy and Performance Officer agreed to seek further information from the Interim Economy and Community Services Manager and report back.

1186 COMMITTEE WORK PROGRAMME

The Policy and Performance Officer introduced the report and clarified that updates on the Sittingbourne Town Centre Regeneration would be included for the next two

Scrutiny Committee meetings, and from the start of the new municipal year, all Regeneration projects would be included.

1187 URGENT BUSINESS REQUESTS

Members expressed disappointment at the Sittingbourne Town Centre Regeneration update discussed earlier in the evening. A Member clarified his suggestion that the response could have been challenged prior to the Scrutiny Committee Meeting whilst another Member suggested requesting the minutes of meetings of the partners. The Chairman suggested that partners could be invited to a future meeting of the Scrutiny Committee.

Members agreed that further consideration on progressing the matter urgently was required.

1188 SUSPENSION OF STANDING ORDERS

At 10pm Members agreed to the suspension of Standing Orders in order that the Committee could complete its business.

Chairman

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All Minutes are draft until agreed at the next meeting of the Committee/Panel