



**MINUTES OF A MEETING OF THE SUSTAINABLE GROWTH AND ENVIRONMENT
CAPITAL SCRUTINY COMMITTEE
HELD IN THE BOURGES/VIERSEN ROOMS, TOWN HALL
ON 23 March 2016**

Present: Councillors Sandford (Chairman), N Khan MBE (Vice Chairman), D Over, L Ayres, R Brown, C Harper, R Bisby, M Jamil, JA Fox, J Whitby

Also Present: Councillor JR Fox, Group Leader, Werrington First
Councillor N Thulbourn, Chairman of Design and Implementation Group

Councillor Murphy
Councillor Saltmarsh
Councillor Harrington
Councillor Seaton, Cabinet Member for Resources
Steve Bowyer, Chief Executive, Opportunity Peterborough
Neil Darwin, Chief Executive, GCGP

Officers Present: Simon Machen, Corporate Director for Growth and Regeneration
Howard Bright, Head of Growth
John Harrison, Corporate Director for Resources
Alison Stuart, Assistant Director of Legal and Democratic Services
Paulina Ford, Senior Democratic Services Officer

1. Apologies for Absence

No apologies for absence were received.

2. Declarations of Interest and Whipping Declarations

There were no declarations of interest or whipping declarations.

3. Minutes of Meetings held on 6 January 2016, 25 January 2016 and 10 February 2016

The minutes of the meeting held on 6 January 2016 were approved as an accurate record.

The minutes of the meeting held on 25 January 2016 were approved as an accurate record.

The minutes of the meeting held on 10 February 2016 were approved as an accurate record.

4. Call in of any Cabinet, Cabinet Member or Key Officer Decisions

The purpose of the meeting was to consider the Call-In request that had been made in relation to the decision made by Cabinet on 7 March 2016 relating to Council Office Consolidation – MAR16/CAB/16.

The request to Call-In this decision was made on 10 March 2016 by Councillor Murphy and supported by Councillor Harrington, Councillor Saltmarsh and Councillor Ferris. The decision for Call-In was based on the following grounds:

Criteria 4. The decision does not follow the principles of good decision making set out in Article 11 of the Council's Constitution specifically that the decision maker did not:

- (a) Realistically consider all alternatives and, where reasonably possible, consider the views of the public.
- (c) Take account of all relevant matters, both in general and specific, and ignore any irrelevant matters.
- (d) Act for a proper purpose and in the interests of the public.

After considering the request to Call-in the decision and all relevant advice, the Committee were required to decide either to:

- (a) not agree to the request to Call-in, when the decision shall take effect;
- (b) refer the decision back to the decision maker for reconsideration, setting out its concerns; or
- (c) refer the matter to full Council.

Councillor John Fox in attendance as Group Leader for Werrington First sought clarification from the Assistant Director of Legal and Democratic Services with regard to what discussion could take place during Purdah. Members were advised that the discussion should be restricted to the content of the Call-in and not go outside of this or discuss political viewpoints.

In support of the request to Call-in the decision Councillors Harrington, Councillor Saltmarsh and Councillor Murphy made the following points:

Councillor Harrington

- The principle of the council trying to consolidate its property assets to assist the council in running more effectively and efficiently was not in question.
- There were fundamental flaws in the proposal regarding cost and location which had not been fully explained and needed more thought.
- The Town Hall is tired and in much need of updating. A considerable amount of work would therefore need to be done to make the building suitable and fit for purpose to rent out which would be costly. Other organisations will not want to relocate to a second rate building and this will reflect on what rent could be charged.
- The council would still remain the owners and landlord of the Town Hall and be responsible for the maintenance of the building.
- The location of Fletton Quays was on the edge of the city centre and the current location of the Town Hall would be missed. The general economy of the area around the Town Hall would suffer significantly.
- The council should be at the heart of the city and relocating it to Fletton Quays would make it isolated.
- There would be no additional access for pedestrians during the first phase to the new location which was vital if the new location was to be effective.
- There was also concern that council employees using the facilities at the new development at Fletton Quays would not be enough to sustain the development.
- The council buildings would be located right at the edge of the new development which was also a concern.

Councillor Saltmarsh

- Councillor Saltmarsh was in agreement with the comments made by Councillor Harrington.
- The distance from the bus station to Fletton Quays was considerable and there was concern that members of the public who would normally visit Bayard Place would find it considerably more difficult to get to council offices at Fletton Quays.

Councillor Murphy

- The Call-in was not about the financial business case for the south bank development but about the future of Bayard Place and the offices in the Town Hall.
- The key issues were about the way the public will interact with the council and its officers if there are no council offices in the city centre and how businesses may be affected and who had been consulted.
- The location of council offices was very important to staff, councillors and members of the public.
- The public still needed to have face to face contact and access to officers at the point of contact not just a reception desk at the Town Hall directing the public elsewhere.
- The current proposal has not been consulted on with stakeholders, businesses or members of the public. The report indicated that consultation had only taken place with senior officers and key Members including the Cabinet Member for Resources.
- The financial implications and consequences of the decision have not been fully considered.
- No equality impact assessment has been completed to assess the impact on moving the services from the Town Hall.
- No information has been provided on how many staff work in the Town Hall and Bayard Place and how many will remain in the Town Hall.
- There was concern amongst town centre businesses that if the council moved from the city centre it would kill the town centre and places like Bridge Street would be greatly affected.
- There was no guarantee that the Town Hall would attract businesses as there was already significant empty office space in Peterborough city centre.
- Alternatives to the proposed relocation had not been considered.
- The impact on the local economy and the way the council do business with the public had not been taken into account.
- The Civic Centre and Bayard Place culturally was important to the people of Peterborough.
- Cabinet has made the decision in haste ahead of the elections on 5 May and had not acted in the interests of the public.

Questions and Comments from Members of the Committee:

- Members noted that there was a great deal of emphasis on the past and that this was the way the council had always delivered their services from the city centre. Did this mean that the councillors were advocating that the council should have a no change agenda? *Councillor Murphy responded that this was not the main issue and that he had also referred to the lack of consultation, the effect on businesses, the way the council services were provided and why these issues had not been fully discussed.*
- Could the Councillors provide any details with regard to the wider social impact of letting Bayard Place and the Town Hall to commercial services and what was the cultural and historical attachment with regard to Bayard Place? *Councillor Harrington responded that there was no attachment to Bayard Place other than it was centrally located in the heart of the city and this proposal was moving the service away from the heart of the city. By moving the council offices to Fletton Quays it would be moving money away from the heart of the city. The local businesses, coffee shops and restaurants would be affected. Councillor Murphy responded that the historical impact related to the Town Hall but there*

- was a cultural aspect with regard to Bayard Place and how we interact as a council with regard to the public being able to access services and see officers in one location.*
- *Was there any evidence that the city council moving to Fletton Quays would have a serious effect on the booming evening economy in the city centre? Councillor Murphy responded that the evening economy was not booming and that taking council workers out of the city centre would only exasperate the problem.*
 - *Other businesses would move into the vacated council buildings and their employees would use the services of businesses in the town centre. Councillor Murphy responded that there was no evidence that more businesses were going to move into the Town Hall and Bayard Place if the council moves out. The assumption therefore would be that the number of people using the coffee shops, restaurants and businesses in the town centre will therefore decrease when the council move to Fletton Quays. There was evidence that people did not want to locate their office staff in the centre of Peterborough from the current number of vacant offices.*
 - *The decision to move the council offices to Fletton Quays was made in February 2014 and was debated and approved at Full Council. Why have these issues not been raised before now. Councillor Murphy responded that in the last twelve months the plans had been brought to fruition and were different now than in 2014 and therefore consultations should have taken place.*
 - *Members noted that the customer access centre would be relocated to the Town Hall and that Serco would be located at Fletton Quays which would make them more accessible than at Manor Drive where they were currently located. Councillor Murphy informed Members that he had been notified since the Call-in that there would be a customer access centre located in the Town Hall but further clarification was required on whether it would just be a reception desk or if there would be additional services included that could deal with all enquiries.*
 - *Members sought further clarification for the reasons for the Call-in. Councillor Murphy clarified that the Call-in was not about the business case but about the wider social impact, the lack of consultation and the process of the making the decision.*

There being no further questions from the Committee, Councillor Seaton, Cabinet Member for Resources accompanied by the Corporate Director for Resources, the Corporate Director for Growth and Regeneration and the Head of Growth were invited to respond in answer to the Call-In request:

Councillor Seaton made the following points:

- The decision had not been drawn up in haste and had been made on 24 February 2014 and had included the decision to move the back office function to Fletton Quays as part of the regeneration of that site subject to the business case which had now been produced. The Cabinet now sought to implement the decision taken in February 2014.
- The 24th February 2014 Cabinet report and decision was not called-in, although there had been the opportunity to do so. The decision had very clearly set out that:
 - a) the Council was committing to an Agreement to Lease offices on Fletton Quays;
 - b) the Council's back office functions (from the Town Hall, Bayard Place, Stuart House and Manor Drive) would be consolidated in a new build development on Fletton Quays;
 - c) the Town Hall would be retained in the Council's ownership, that it's civic suite and functions would be retained and that it would incorporate a new customer access point;
 - d) new uses would be found for Bayard Place and residual parts of the Town Hall.

- The Council's customer access centre would remain centrally located and be relocated to the Town Hall on Bridge Street ensuring public access to services was maintained in the city centre. The Town Hall was a similar walking distance from the bus station as Bayard Place.
- There was no evidence to suggest that the move to Fletton Quays could harm the city centre. The city centre was very buoyant and the retail vacancy rate was currently 8.9% against a national average of 12.5% and Peterborough was ranked 37 out of 500 retail centres by Costar for retail spend which was 2 places ahead of Cambridge.
- The regeneration of Fletton Quays would generate additional footfall for the city centre.
- The decision was not based purely on finances but on the future needs of the city.
- The decision was important in securing £120M of investment through new businesses and new jobs through the regeneration of Fletton Quays.
- The Council has changed considerably in size and nature over the years with fewer staff and new offices would provide a more efficient working environment.

The Corporate Director, Resources made the following points:

- There had been no customer service centre in Bayard Place when the Corporate Director had started with the Council in 2005.
- 350 staff had been moved from the town centre to Manor Drive in 2008. These staff would in effect be moving back to the town centre when they were relocated to Fletton Quays and would therefore increase the net footfall in the town centre.
- Investment would be made in the Town Hall office space to bring it up to modern efficient standards.

The Corporate Director for Growth and Regeneration made the following points:

- Peterborough had approximately 4.9million square feet of office space and currently there was very little office space vacant. In terms of commercial demand there was heat in the market for office space and in particular Grade A office space.

Questions and Comments from Members of the Committee:

- Members queried how it could be economical to continue to retain part of the Town Hall and hire out the other part. *Members were advised that various options had been considered but the cost of decommissioning the civic areas which included the Council Chamber of the Town Hall which was the historical part and relocating it to another part of the city would be costly.*
- Clarification was sought from the Legal Officer as to whether discussion regarding the financial aspect of the decision was allowed as this was not part of the Call-in. *The Legal Office confirmed that the discussion should be kept to the remit of the Call-in which had not covered the financial aspect of the decision.*
- Members sought reassurance that members of the public would have the same access to services that were currently being delivered from Bayard Place at the Town Hall. *Members were informed that the Councils Customer Access Strategy which was now in place would change the way services were being delivered. The services delivered at the Town Hall would be the same services that would be delivered at Bayard Place in line with the Customer Access Strategy.*
- Would the public still have access to the police? *Members were informed that the police had not yet confirmed if they would be located at the Town Hall.*

- Members referred to paragraph 5.1 of the Cabinet report which stated that *“Consultation had been undertaken with senior officers (including representatives from legal, finance and property services) as well as key Members, including the Cabinet Member for Resources”*. Members sought clarification on who the key Members were. *Members were informed that the document had been discussed with the Corporate Management Team and Cabinet Members and some consultation with Group Leaders around the retained part of the Town Hall. Group Leaders had also been briefed over the last 21/2 years on the various stages of Fletton Quays and the Peterborough Investment Partnership. Staff had also been informed and there was also a cross directorate staff working group in place.*
- Members asked if there was a Plan B in place. *Members were informed that there was a Plan B for various stages of the project which included different options for different parts of the Town Hall and several options for Bayard Place.*
- Members commented that if there was to be investment in the Town Hall to attract new tenants then why wasn't the investment being done so that the council staff could stay in the Town Hall. What evidence was there for the business case to move to Fletton Quays and will there be enough staff to maintain Fletton Quays. *Members were informed that it was not just about investing in upgrading the Town Hall but also creating the premises that the new tenant wanted. There was a clear business case that investment would bring income. There was already serious interest in Fletton Quays from businesses and having the council located there would attract businesses.*
- Members sought clarification on the actual cost of subdividing the Town Hall. *The Corporate Director for Resources responded that the information was in the Exempt Green Paper which the Committee had agreed they were not going to refer to.*
- Does practical expediency out way cultural historical importance? *Members were informed that the decision was taken by balancing up the need of why the decision had to be made and the benefit of taking it.*
- Was there an example of any other town or authority having undertaken a similar move? *The Corporate Director for Growth and Regeneration advised Members that Rotherham had also moved the council offices into a purpose built office by the river providing an agile, paperless working environment which was a ten minute walk to the Town Hall.*
- Has the consolidation been looked at to see how it affects the durability of the council services by locating so many services into one area. What is the plan for business continuity? *Members were advised that business continuity would be reassessed as there would be less council sites and more agile working so less people in the office which reduced the risks.*
- With the closing down of Bayard Place and the loss of the Police Station will this mean a lack of visibility of police in the town centre. *Members were advised that the Joint Enforcement Team could be located anywhere as the visibility of the team comes when they are out of the office.*

At this point the Chairman requested that the Committee resolve to go into Exempt Session and exclude the press and public in order to discuss the exempt part of the report. The report contained an exempt Annex not for publication by virtue of Paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972.

A vote was taken and the Committee agreed unanimously to go into Exempt Session and exclude the Press and Public.

At this point the Chair moved the meeting into Exempt Session and requested that the Press and Public leave the room while the Committee considered the Exempt papers.

After a period of discussion in Exempt Session the Chairman invited the Press and Public back to the meeting.

After debating the request to Call-in the decision Councillor Over seconded by Councillor Harper put forward a recommendation that the Committee reject the Call-in on the grounds that each element of the call-in had been responded to and there was no evidence that the Call-in was valid.

The Chairman commented that he did not support the partitioning of the Town Hall and hiring out part of it and that either the council services should remain in the Town Hall or move all of the services out of the Town Hall to Fletton Quays.

The Chairman put the recommendation to a vote and the Committee voted in favour of the recommendation (9 in favour, 1 against) therefore the recommendation was agreed and the Call-in was rejected.

The Chairman therefore informed the Cabinet Member and officers that the decision could be implemented immediately.

ACTION

The request for Call-in of the decision made by Cabinet on 7 March 2016 and published on 7 March 2016 regarding Council Office Consolidation – MAR16/CAB/16, was considered by the Sustainable Growth and Environment Capital Scrutiny Committee. Following discussion and questions raised on each of the reasons stated on the request for Call-in, the Committee did **not** agree to the Call-in of this decision on any of the reasons stated.

It was therefore recommended that under the Overview and Scrutiny Procedure Rules in the Council's Constitution (Part 4, Section 8, and paragraph 13), implementation of the decision would take immediate effect.

5. Opportunity Peterborough Update Report

The report was introduced by the Chief Executive, Opportunity Peterborough and provided the committee with an update on the remit, functions and achievements of Opportunity Peterborough which was a private company wholly owned by Peterborough City Council. The purpose of the company was to drive economic growth in the city and to attract new investment.

Questions and observations were made around the following areas:

- Is there a demand for office accommodation in the city? *Members were informed that five years ago the demand was mostly for out of town business park development. In the last two to three years there had been an increase in demand for commercial office space in the city centre. The demand was from across all business sectors with the majority of enquiries being from the finance sector. However there was little Grade A office space available within the city centre owing to the financial viability of speculative building.*
- The report appears to focus on the city centre, are there any plans to regenerate other areas of the city like Bretton, Hampton Court. *Members were informed that the focus had been on the city centre as it had been recognised as underperforming and there was a need for a flag ship city centre to attract businesses to the city. In terms of regeneration of other areas work was being done with regard to letting properties at more favourable*

rates which was vital to assist start-up businesses. Peterborough had out performed most of the country with regard to start-up businesses.

- *Are Breakfast Clubs still held? Members were informed that the Bond Holders Scheme was still running including the Breakfast Club which was well attended. Apologies were given to those Members who had not received an invite. The next one was on 6th April 2016 and details were on the website.*
- *Members referred to paragraph 9, Evening Economy. Is the focus also on wanting people to live in the city centre as well as attracting businesses? Members were advised that the initial focus of Opportunity Peterborough was that it was an urban regeneration company with a clear plan for the city centre in creating a destination hub to drive the businesses and then to drive people to live in the city centre which was now happening. Residential development was taking place through conversion of existing buildings and flats had been built in the city centre, however the focus needed to remain on economic growth. However cultural life of the city was vital.*
- *Members commented that it was important to market the city. If Opportunity Peterborough was not around who would take responsibility for promoting the city? Members were advised that there were various types of marketing; marketing the city for tourism, marketing the city for customers and marketing the city for business. Opportunity Peterborough was responsible for marketing the city for business to attract new investment. Opportunity Peterborough worked collaboratively with other organisations to promote the city through direct marketing and sending publicity material and also in raising the profile of the city and placing it in the national arena.*
- *Is there anything else you need from the council to support you? Members were advised that the best publicity was for people to speak well of the city. Opportunity Peterborough's credibility had risen over the past five years through attracting investment in the city and other cities had looked to Opportunity Peterborough for advice.*
- *If a cinema was built in Queensgate what else would you suggest would work as part of the North Westgate development? The Chief Executive responded that in his opinion if a cinema was to go into Queensgate it would be vital that there were strong connections between the cinema in Queensgate and the space outside. Other investment followed cinemas like more restaurants and cafes. Being so close to the East Coast mainline station made North Westgate a prime site for office development and would attract investment from London.*
- *How do Opportunity Peterborough and the Local Enterprise Partnership (LEP) differ in focus? Members were advised that both organisations worked closely together and that the Chief Executive of Opportunity Peterborough was an adviser to the LEP. The LEP was the strategic voice for this region into Government attracting and drawing down the funding to the area and working with local partners to ensure the money was spent wisely.*
- *Where does the third sector fit in? Members were advised that close working links had been forged with various Third Sector organisations including Cross Keys Homes and other housing associations in providing intelligence. Opportunity Peterborough was now based at the Peterborough Business Centre and therefore worked very closely with Allia which was also a Third Sector organisation.*

The Chairman thanked the Chief Executive for attending and presenting an informative report.

RECOMMENDATION

The Committee agreed that Opportunity Peterborough continued to deliver good value for money and endorsed the work that they did for the city and recommended that the Council continue to support Opportunity Peterborough through the continuation of funding.

6. Local Enterprise Partnership

The Chief Executive of the Local Enterprise Partnership (LEP) introduced the report and provided the Committee with a presentation giving an overview of the Local Enterprise Partnership.

The following areas were highlighted:

- What is the LEP
- Membership of Greater Cambridge Greater Peterborough
- Funding
- Accountability
- Objectives
- What has been achieved
- Comparison nationally
- Future Direction

Questions and observations were made around the following areas:

- It was noted that the LEP were doing a good job in the Third Sector however Members felt that very little funding had been provided to the smaller voluntary organisations where additional funding would make a difference in raising the skills level. *Members were advised that the LEP had a voluntary sector Board which was chaired locally by the Chief Executive of Cross Keys Homes. There was also a Price Challenge which provided £1M a year to support voluntary Third Sector activity and there had been several recipients in Peterborough. It was hoped that more money could be raised to improve the skills level locally.*
- Members requested to see evidence of projects that had been funded and achievements? *It was agreed that further details would be given at a later date.*
- What is the justification of LEP holding meetings in private given that as a body the LEP has access to large amounts of public funds? *Members were informed that the LEP made commercially sensitive decisions around investments and therefore the meetings were held in private although the Agendas and Minutes were made public.*
- Why are Local Enterprise Partnerships so focused on road building schemes as opposed to other forms of public transport? *Members were advised that attempts have been made to engage with Network Rail but this had proved difficult. Given that the A14 improvements should commence at the end of the year the next two big transport schemes that needed to be tackled should be the Birmingham to Stanstead rail link via Peterborough and Cambridge and the Felixstowe to Nuneaton freight line which would also help the A14.*
- It was recommended by the Chairman and agreed by the Committee that the improvements on the Birmingham to Stansted rail line should be focused on as a priority.

Members thanked the Chief Executive for a very informative presentation.

RECOMMENDATION

The Committee supported the work of the Local Enterprise Partnership and recommended that the Local Enterprise Partnership focus on the Birmingham to Stanstead rail line as a priority.

ACTION

The Committee requested that the Chief Executive provide the Committee with details of evidence of projects that had been funded and achievements.

7. Alternative Governance Arrangements

The report was introduced by the Chairman and taken as read. Councillor Thulbourn and the Assistant Director Legal & Democratic Services were in attendance to take questions.

Questions and observations were made around the following areas:

- Why is there no Rural Scrutiny Committee in the new structure? *Members were advised that because going forward there would be pre decision scrutiny having a Rural Scrutiny Committee would not work. There could be a rural representative on each of the three committees to ensure that the rural community views were represented.*
- As the committees are decreasing from six to three with only thirty Councillors on Scrutiny what will the effect be on Scrutiny? *Members were informed that each Committee would need to decide what substantial issues should be looked at to deliver better recommendations and outcomes. There should only need to be one or two items at each meeting for in-depth review. There would also be pre decision scrutiny which has not currently been happening which would mean being more involved in the decision making process rather than looking at the decision after it had been made.*
- Members expressed concern that whilst the number of councillors and the population is increasing, the number of Scrutiny committees is being reduced and that the new governance structure will need to be reviewed on a continual basis. *Members were informed that the new governance structure would be reviewed on a continual basis in the first year.*

RECOMMENDATION

The Committee noted the report and recommended that a comprehensive review of the impact in the reduction in number of Scrutiny Committees be undertaken within twelve months.

8. Forward Plan of Executive Decisions

The Committee received the latest version of the Forward Plan of Executive Decisions, containing key decisions that the Leader of the Council anticipated the Cabinet or individual Cabinet Members would make during the course of the following month. Members were invited to comment on the Forward Plan and where appropriate identify any relevant areas for inclusion in the Committee's work programme.

ACTIONS AGREED

The Committee noted the Forward Plan of Executive Decisions

There being no further discussion the Chairman thanked Committee Members for working together over the last twelve months. Members of the Committee also thanked officers for their work in supporting the Committee over the past year.

The meeting began at 7.00pm and ended at 10.20pm

CHAIRMAN