



**MINUTES OF A MEETING OF THE SUSTAINABLE GROWTH AND ENVIRONMENT  
CAPITAL SCRUTINY COMMITTEE  
HELD AT THE BOURGES/ VIERSEN ROOM - TOWN HALL  
ON 3 FEBRUARY 2015**

**Present:** Councillors Y Maqbool (Chairman), C Harper, R Brown, A Iqbal, JA Fox, M Fletcher, N Thulbourn

**Also Present:** Cllr Sandford, Group Leader, Liberal Democrats  
Cllr Harrington, Group Leader, Peterborough Independent Forum  
Cllr JR Fox, Group Leader, Werrington First  
Cllr Seaton, Cabinet Member for Resources  
Cllr Murphy  
Cllr Ferris

**Officers Present:** John Harrison, Executive Director of Strategic Resources  
Gurdeep Sembhi, Contracts Lawyer  
Paulina Ford, Senior Democratic Services Officer

**1. Apologies for Absence**

Apologies for absence were received from Councillor Arculus and Councillor Harper was in attendance as substitute.

**2. Declarations of Interest and Whipping Declarations**

Councillor Sandford informed the Committee that he donates to Amnesty International and advised that he had taken advice from the Monitoring Officer and this did not form a pecuniary interest but he wished to advise the committee of this.

The Chairman read out the procedure for the meeting.

**3. 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 19 January 2015 to form a Strategic Partnership between Peterborough City Council and AVIC International Corporation (UK) Ltd.

The request to Call-In this decision was made on 22 January 2015 by Councillor Sandford and supported by Councillors Murphy, Ferris and Shaheed. 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 which 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 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.

In support of the request to Call-in the decision made by Cabinet Councillors Sandford, Ferris and Murphy made the following points:

- Cabinet had failed to take into account all relevant information.
- The Cabinet report had not mentioned the Human Rights record of the Peoples Republic of China. Many Human Rights atrocities had occurred in China.
- The Company was a wholly owned company of the Peoples Republic of China.
- Cabinet had failed to take into account the views of the public or of Councillors regarding going into partnership with the Government of China. Whilst not legally obliged to undertake a public consultation at this stage of the Memorandum of Understanding something of major concern like this should have gone out to consultation.
- Cabinet had failed to evaluate alternative courses of action. China was not the only country with expertise on solar panels.
- The council did not have an Ethical Procurement Policy.
- Alternative options would be to consider home grown businesses.
- Cabinet had not involved Councillors and Scrutiny.
- The decision should be referred to Full Council for debate.

Questions and Comments from Members of the Committee:

- Members sought further clarification on the reasons for the Call-In.
- Members sought clarification regarding the criteria of a Memorandum of Understanding (MoU) within the council. *The Legal Officer responded that the MoU was a first key stage discussion document to identify the common interest of both parties. It outlined the fundamental elements which were needed to be done to achieve the partnership. It confirmed the intentions of the parties.*

There being no further questions from the Committee Councillor Seaton, Cabinet Member for Resources was invited to respond in answer to the Call-In request:

Councillor Seaton and John Harrison, Executive Director for Resources made the following points:

- The council took Human Rights issues seriously.
- The council did not currently have a policy on investment and trade and therefore the proposal was not in contravention of council policy.
- The decision had been placed on the Forward Plan and therefore Scrutiny would have had an opportunity to seek further information and scrutinise the decision.
- It was not usual to consult with the public on such an issue.
- The government produce a report annually on the Human Rights position and in their opinion the position in China had improved.
- There was government cross party agreement in promoting business with China.
- The companies named in the potential MoU were all multi-national with existing British and European businesses and employed staff in the UK.

#### Questions and Comments from Members of the Committee:

- Did the MoU stop the council from talking to other companies? *Members were informed that it did not stop the council from engaging with other companies.*
- Members sought assurance that by entering into an agreement with AVIC that this would not stop other companies investing in the city. *Members were informed that AVIC would not have exclusivity and other options for investment in the city would always be considered. Examples of other investment were Skanska and Viber. Peterborough would become an exemplar of how working with other companies could benefit the UK. If AVIC did not invest in Peterborough it would invest in another local authority.*
- Was the council dealing with China directly or through a business in the UK? *Members were informed that the council had direct contact with AVIC UK who was the lead contact in the UK and acted as an intermediary with China.*
- Was there government guidelines in place for setting up this type of business? *Members were informed that there were no guidelines in place.*
- Members sought clarification of what the next stages were following on from the MoU.
- Members felt that the Committee should have seen a copy of the MoU. *The Executive Director advised that a copy of the MoU would be circulated to the Committee.*

Following discussion Councillor Fletcher put forward a recommendation that the Committee refer the matter to full Council. The Chair asked for a seconder to the recommendation. There was no seconder and therefore the proposal was not carried forward.

After debating the request to Call-in the decision the Committee took a vote on the remaining two options which were either:

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

The Committee voted in favour of (a) not agree to the request to call-in the decision (4 in favour, 1 against, 2 abstentions)

#### **ACTION**

The request for Call-in of the decision made by Cabinet on 19 January 2015, regarding the formation of a Strategic Partnership between Peterborough City Council and AVIC International Corporation (UK) Ltd. 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.

The meeting began at 7.00pm and ended at 8.30pm

CHAIRMAN

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