

SCRUTINY CO-ORDINATION COMMITTEE

8th February 2012

Scrutiny Co-ordination
Committee Members

Present:

Councillor Blundell
Councillor Lakha
Councillor Mrs Lucas (Chair)
Councillor McNicholas (Deputy Chair)
Councillor M. Mutton
Councillor Noonan (substitute for Councillor Foster)
Councillor Ruane
Councillor Sawdon
Councillor Taylor
Councillor Welsh
Councillor Walsh (substitute for Councillor Lancaster)

Other Members Present: Councillor Mrs Bigham (Cabinet Member (City Development))
Councillor Mrs Lepoidevin

Employees Present: H. Abraham (Customer & Workforce Services Directorate)
R. Canavan (City Services & Development Directorate)
N. Clews (City Services & Development Directorate)
G. Holmes (Chief Executive's Directorate)
J. Parry (Assistant Chief Executive)
M. Rossi (Customer & Workforce Services Directorate)
M. Salmon (Customer & Workforce Services Directorate)
A. West (Children, Learning & Young People Directorate)

Apology: Councillor Foster (substitute Councillor Noonan)
Councillor Lancaster (substitute Councillor Walsh)

Public Business

101. Declarations of Interest

There were no declarations of interest.

102. Minutes

- (a) The minutes of the meeting held on 4th January 2012 were signed as a true record.
- (b) There were no matters arising.

103. Exclusion of Press and Public

RESOLVED that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that the item involved the likely disclosure of exempt information as defined in Part I of Schedule 12A of that Act:

Minute	Report	Paragraph
108	Consideration of Call-in Stage 2 – Disposal of the Freehold of Commercial Asset – Tile Hill Social Club, Jardine Crescent	3 & 4

104. Consideration of Call-in Stage 2 – Disposal of the Freehold of Commercial Asset – Tile Hill Social Club, Jardine Crescent

The Committee received a report of the Director of City Services and Development detailing the disposal of the freehold of commercial asset – Tile Hill Social Club, Jardine Crescent. A corresponding private report detailing financially confidential aspects of the proposal had also been submitted (Minute 107 below refers). The reports had been considered by Cabinet Member (City Development) (her minutes 59/11 and 67/11 respectively referred) and the decision had been Called-in by Councillors Blundell, Mrs Johnson and Mrs Lepoidevin.

The report indicated that the Site had been leased by the Council on a long term ground lease with 50 years remaining at low rent and consisted of approximately 1.48 acres (0.6 ha.) fronting Jardine Crescent, occupied by a purpose-built social club, approximately 50 years old with accommodation on two floors. The building had suffered from under-utilisation for several years, was in a poor condition and had now closed. The lease granted by the Council had restricted the user of the Site to a 'members' social club'. The lessee had therefore requested a change of use in order that the proposed development of the Site may take place. The unexpired term of the lease was insufficient to secure funding for the development.

The lessee had specified that he would like to seek planning permission for demolition of the building and redevelopment for a mixed retail and residential scheme. Planning policy showed the Site to be part of the Jardine Crescent District Centre and subject to the Council's planning policies in this respect. A public consultation carried out by the lessee had shown that more retail development was of concern due to impact and proximity to the Jardine Crescent Shopping Centre. The lessee had proposed a scheme with a variety of residential properties and a small retail content; 3 standard retail units, 18 houses and 12 flats, subject to planning permission. Following local consultation two identical petitions had been submitted by Councillors Mrs Johnson and Mrs Heatherton earlier this year, objecting to retail use on the Club Site. These petitions were being held for consideration pending a planning application for the proposed use of the Site. Should planning permission be granted for the owners proposed scheme, the application of restrictive covenants to the land would prevent further retail development on the site beyond that now proposed.

Consideration had been given to the use of the Site as a social club which was unviable as the buildings on the Site were already out-dated and had been vandalised. Therefore permission by the Council (acting as the freehold owner) was given in principle for the demolition of the building and clearance of the Site. Whilst the Council might grant a new long term lease at a modern ground rent and with covenant to prevent additional development, the market regarded a freehold title as a pre-requisite for a predominantly residential development such as that proposed; thus enabling the optimum financial consideration to be secured.

The report confirmed that the terms represented the best that could be obtained in the current market thus satisfying the Council's obligation under section 123 of the Local Government Act 1972 to obtain the best price reasonably obtainable.

The Cabinet Member had agreed to give approval to the disposal of the Council's Freehold interest in Tile Hill Social Club, Jardine Crescent on the Term set out in the private report.

The reason for the call-in was to challenge the decision on the basis that the information quoted in Paragraph 2.1 of the report (2nd paragraph) was insufficient and to be appraised of all other potential avenues that were identified and/or pursued as regards this disposal to ensure they represent the best value that could be obtained".

The Call-in had been deemed valid by the Chair of the Scrutiny Co-ordination Committee on advice from the Assistant Director (Democratic Services), in conjunction with the Council Solicitor/Assistant Director (Legal Services), the Call-in reason having met the requirements of the Council's Constitution Scrutiny Rules on the Call-in Procedure and the criteria decided by the Scrutiny Co-ordination Committee.

The Cabinet Member (City Development) was in attendance at the meeting and briefly outlined the proposals for the site. She confirmed the decision she had taken on the matter and her primary concern for safety, due to the on-going vandalism and anti-social behaviour problems at the site.

Councillors Blundell and Mrs Lepoidevin were in attendance at the meeting and spoke in support of the call-in.

The Committee considered the Call-in and the comments of the Elected Members supporting the Call-in and, having regard to the information provided to them in the private part of the agenda, decided, following a show of hands, to concur with the Cabinet Member (City Development) decision. The Committee requested that report authors ensure that reports were written in accordance with the Council's Constitution, in particular that details of 'other options considered' were provided.

RESOLVED that the Scrutiny Co-ordination Committee concurs with the decision of Cabinet Member (City Development) to give approval to the disposal of the Council's Freehold interest in Tile Hill Social Club, Jardine Crescent on the Terms set out in the private report and that Officers be requested to seek to secure the best possible outcome for the Local Authority.

105. Scrutiny Co-ordination Committee Work Programme 2011/2012

The Committee noted the Work Programme for 2011/2012.

106. Outstanding Issues

There were no outstanding issues.

107. Any Other Business

There were no other items of public business.

Private Business

108. Consideration of Call-in Stage 2 - Disposal of the Freehold of Commercial Asset – Tile Hill Social Club, Jardine Crescent

Further to Minute 103 above, the Committee considered a report of the Director of City Services and Development which detailed financially confidential information in relation to the proposal to dispose of the freehold of commercial asset – Tile Hill Social Club, Jardine Crescent.

The Committee received a Briefing Note of the Director of City Services and Development that responded to the Call-in. The Note provided details of all other potential options regarding the disposal to ensure the preferred option represented the best price that could be reasonably obtained for the Site.

Members questioned the Assistant Director (Property Management) on aspects of the proposal.

RESOLVED that the Scrutiny Co-ordination Committee concurs with the decision of Cabinet Member (City Development) to give approval to the disposal of the Council's Freehold interest in Tile Hill Social Club, Jardine Crescent on the Term set out in the private report and that officers be requested to seek to secure the best possible outcome for the Local Authority.

109. Meeting Evaluation

The Committee acknowledged the importance of receiving documentation in advance of meetings and the Chair encouraged Members to read all information available to them prior to their attendance at meetings of the Committee. The Committee also discussed the process for Call-in Stage 1 – Determination of Validity and agreed that the period from receipt of a Call-in to the determination of validity should allow adequate time for discussion between decision makers.

110. Any Other Business

There was no other private business.

(Meeting closed at 11.15 a.m.)