

WEST LINDSEY DISTRICT COUNCIL

MINUTES of the Meeting of the Prosperous Communities Committee held in the Council Chamber - The Guildhall, Marshall's Yard, Gainsborough, DN21 2NA on 25 October 2016 commencing at 6.30 pm.

Present: Councillor Sheila Bibb (Chairman)
Councillor Gillian Bardsley (Vice-Chairman) and Councillor Steve England (Vice-Chairman)

Councillor Owen Bierley
Councillor Michael Devine
Councillor Paul Howitt-Cowan
Councillor Mrs Jessie Milne
Councillor Malcolm Parish
Councillor Thomas Smith
Councillor Trevor Young
Councillor Matthew Boles
Councillor Christopher Darcel

In Attendance:
Ian Knowles Director of Resources and S151 Officer
Eve Fawcett-Moralee SL - Economic Development and Neighbourhoods
Ian Knowles Director of Resources and S151 Officer
Ady Selby Operational Services Team manager

Also Present Councillor Jeff Summers
Councillor Lewis Strange
Councillor Angela White

Apologies: Councillor Mrs Diana Rodgers
Councillor Lesley Rollings

Membership: Councillor Darcel substituted for Councillor Rodgers
Councillor Boles substituted for Councillor Rollings

44 PUBLIC PARTICIPATION

Cllr Lewis Strange had attended the meeting to pose a question under Public Participation.

“Further to my request at Council that Prosperous Communities Committee to look again at the implementation of parking charges in Market Rasen, you will realise that I think this is wrong at a time when Market Rasen traders who pay business rates are having such a very tough time. The argument that we have to be cost neutral across the district hardly stands up when you think about the amount the Council spends propping up Gainsborough market. However, much against my feelings as vice chair

of your committee last year, the officer led decision, I believe, was imposed. I have no idea if any members of that committee or officers shopped in Market Rasen, but I do some of my shopping there and I know how difficult it is to survive as a business. I had a restaurant in Brigg that lost its lunchtime trade when North Lincs brought in car parking charges some 10 years ago. The result was the closure of a restaurant that had won the Taste of Lincolnshire award two years previously. I am therefore asking the committee to look again positively, and also before the review in six months' time at adopting North Lincolnshire's parking policy where anyone may park for two hours at any time of the day free of charge. This current idea of one hour charge of 30p is of course tiny, but it is not, if the chemist has caused you to be 10 minutes late back to your car and the warden has slapped a ticket for a £50 fine on your car. The idea of free parking in the afternoon after 3pm is not welcome either if you have just collected tired and irritable children from pre or primary school. Finally I ask committee why have East Lindsey removed car park charges in the towns around the authority apart from the coastal strip. Ask the traders in Louth today if the increase in trade they are experiencing compared with two years ago. And why is Brigg booming since the free two hour parking scheme was brought in.
Thank you Madam Chairman"

The Chairman replied that Councillor Strange would be responded to in writing.

45 MINUTES OF PREVIOUS MEETING

RESOLVED that the minutes of the Meeting of the Prosperous Communities Committee held on 13 September 2016 be confirmed and signed as a correct record.

46 MATTERS ARISING SCHEDULE

Members gave consideration to the Matters Arising Schedule which set out the current position of all previously agreed actions as at 17 October 2016.

The Governance and Civic Officer noted that one item was showing as black as being completed. One of the green items was not yet due for completion and the other green item's status was not known, so would carry forward to the following meeting.

Councillor Smith, referring to the item on Market Rasen car parking, requested that consultation also be undertaken with stakeholders as well as Ward Members.

RESOLVED that progress on the Matters Arising Schedule, as set out in the report be received and noted.

47 MEMBERS' DECLARATIONS OF INTEREST

Councillor Bierley declared a personal interest in item 6a as he was the Council's representative on Age UK Lindsey and also Trustee for the charity.

Councillor Bierley also noted that some of the later items on the agenda could potentially lead to planning applications, and questioned the position of members of the Planning Committee in terms of declarations of interest. It was verified that these would be dealt with

as and when the items arose at the Planning Committee.

Debate ensued as to the position of members of the Challenge and Improvement Committee in terms of voting on the Call-in item. The Director of Resources stated that as the Constitution stipulated that Members of the decision making Committee could not take part in the decision at the Scrutiny Committee, therefore, although the Constitution did not clarify the matter it was assumed that the matter would be reciprocated in reverse and that Members who took part in the decision to call the item in should not vote on the matter at this Committee. Councillor Young stated that as the Constitution was silent, then he should be allowed to take part and vote, however the Director of Resources clarified that as Councillor Young had stepped aside from the Scrutiny Committee for consideration of the item this would not apply to him and he would be able to vote. Councillor Young stated that the rules around Call-in needed to be clarified in the Constitution, and Councillor Howitt-Cowan said that he had spoken to the Chairman of the Governance and Audit Committee requesting that the Constitution be made more clear in this matter. The Director of Resources said that the interpretation was that the rule should be reciprocated across the Committees, however if Members did not feel that this was appropriate they be allowed to vote and the Constitution be clarified.

48 GP / HOSPITAL / AMBULANCE PROVISION - SCOPE PAPER

The Director of Resources introduced the paper and set out the background in which Members were minded to set up a commission to examine the state of health services in the District. In order to achieve this it was proposed to request Challenge and Improvement Committee to set up this commission and carry out the investigation in accordance with the draft brief attached as appendix.

Councillor Bierley stated that the starting point was the long term health and wellbeing of the whole district, and noted that 'soft issues' such as health walks etc were the primary target for funding cuts but which had a big impact on health. The Council could assist in such issues, with initiatives like the recent defibrillator and stairlift programmes. The work would repay itself, particularly with positive engagement with the 3rd sector.

Councillor Young requested that the recent reduction in funding to pharmacies be included within the scope of the commission. Councillor Howitt-Cowan, Chairman of the Challenge and Improvement Committee assured Members that the study would look at the whole district and not just urban areas.

RESOLVED that the brief (attached as an appendix to the report) for the proposed Health Commission be agreed and the Challenge and Improvement Committee be requested to carry out the investigation and report back to the Prosperous Communities Committee with recommendations.

49 SCOTHERN NEIGHBOURHOOD PLAN

Councillor Steve England informed the Committee that the Scothern Neighbourhood Plan examiner had stated that the report would now not be published for another two weeks as more information was needed. Therefore, it was proposed that the item be deferred.

RESOLVED that consideration of the Scothern Neighbourhood Plan be deferred to a future meeting.

50 WORK PLAN

The Governance and Civic Officer noted that the Scothern Neighbourhood Plan would now be a further item to be included in the Work Plan.

Discussion took place on the Broadband provision for the area and it was felt that residents had been misled and given the wrong advice, and that West Lindsey's Current arrangement was jeopardising the provision by BDUK, however the report due for the December meeting was to be an update on the current situation. The Director of Resources stated that discussions were ongoing with BDUK and providers. Overbuild was tied in with European funding and State Aid rules. It was generally felt that there were still significant problems in rural areas.

RESOLVED that the Work Plan be noted.

51 EXCLUSION OF PUBLIC AND PRESS

RESOLVED that under Section 100 (A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

52 DEVELOPMENT PARTNERSHIP - POSITION UPDATE

The Strategic Lead for Economic Development and Neighbourhoods introduced the report which sought approval for the procurement of a development partner to assist the Council in the implementation of Gainsborough's Regeneration Delivery Plan.

Initially, this would include the development of the Council assets in Gainsborough town centre and potentially deliver the Council's wider housing plans for Gainsborough, namely the Housing Zone agenda with the Homes and Communities Agency and assist in the delivery of the Urban Extensions.

The procurement process was being conducted in accordance with the competitive dialogue procedure for complex projects (pursuant to Regulation 30 of the Public Contracts Regulations 2015) which allowed development and financial solutions to be fully considered and refined with a shortlist of pre-qualified developers. A key benefit of this procedure was the ability to commence the dialogue with a long list of sites/projects and test the cohesiveness and viability of "the preferred solution".

The procurement of a development partner was integral to the delivery of the Council's corporate regeneration and commercial agendas (approved by the Council in March 2016). Specifically, it would ensure that the Council's objectives to achieve economic and housing growth were realised, maximising the use of the Council's asset base and enabling funds to create an appropriate financial return to the Council.

Stage one, the formal market testing of the procurement scope of the project had been

completed and a Memorandum of Information had been prepared to respond to the feedback to further improve the attractiveness of the opportunity to the market.

The next stage of the project is to publish an Official Journal of the European Union (OJEU) notice and invite developers to submit a Pre-Qualification Questionnaire (PQQ). The PQQ would be evaluated in accordance with the pre-disclosed evaluation criteria and this would predominantly focus on financial standing and proven relevant experience of delivering similar complex development projects.

Twelve companies had attended developer meetings and there was interest from some leading organisations, who understood the marginality of Gainsborough, and feedback had been positive. The Memorandum of Information (MOI) was attached as Appendix 2 of the report and outlined in further detail the procurement scope and objectives of the project.

It was questioned why the Devolution agenda had caused the stalling of the Starter Homes funding bid, however it was clarified that this was more about Brexit than Devolution and that the Strategic Lead for Economic Development and Neighbourhoods was lobbying hard for the area and was in discussion with the Housing and Communities Agency.

Members asked why the focus was so heavily directed towards housing and service provision such as leisure and retail when work and employment were the wealth creators. Dormitory settlements were not wanted, jobs and industry were needed. The Strategic Lead for Economic Development and Neighbourhoods stated that the housing target was from the Central Lincolnshire Local Plan and that the only currently available government funding was for housing. The target was a current reflection of the economic growth for Lincolnshire.

The Committee thanked the Strategic Lead for Economic Development and Neighbourhoods for her work on the project and her efforts to get brownfield land developed in Gainsborough, and the recommendations were moved and seconded en bloc.

On being voted upon it was **RESOLVED** that:

- a) the OJEU notice and Memorandum of Information (MOI) that set out the scope of the procurement for the Development Partner in Appendix 1 and 2 of the report be approved; and it be noted how the OJEU Notice and MOI have been augmented to respond to the market feedback received from the market following the publication of a Prior Information Notice;
- b) the Pre-Qualification Questionnaire and related evaluation criteria in Appendix 3 of the report be approved, to enable a minimum shortlist of three bidders to be selected to work up outline solutions;
- c) agreement for the project in line with the process and timeframe agreed on 14 July, be approved to progress to the next key committee milestones;
 - prior approval of the Invitation to Submit Outline Proposals ("ISOP") and Invitation to Submit Detailed Solutions ("ISDS") documents to be released to the shortlisted bidders; and - prior to selection of the preferred bidder; as detailed in section 4 of the report.

53 SUN INN RE-DEVELOPMENT AND MARKET STREET REGENERATION

The Strategic Lead for Economic Development and Neighbourhoods introduced the report which had been agreed in principle by the Corporate Policy and Resources Committee.

It was recognised that securing a hotel in Gainsborough should have a positive impact on the town in terms of its regeneration improving market attractiveness, addressing a known demand for bed spaces and making an economic contribution in terms of new jobs and additional business rates. The Sun Inn had been vacant for over five years despite active marketing and a planning consent for a hotel. The building had been the subject of vandalism and the adjoining Chapel Alley was in a very poor state of repair. The building was located on the corner of Market and North Street and was considered a key gateway into the town centre. Upgrading Market Street would entice footfall from Marshall's Yard into the town centre. Market Street had a number of empty properties and dereliction adjoining the Sun Inn.

In progressing the Gainsborough Regeneration Delivery Plan (GRDP) and in discussions with Historic England to bid for a Townscape Heritage Initiative, officers had lobbied the owners of the Sun Inn to implement the hotel planning consent or refurbish the building. These discussions had resulted in the current proposals to assist in the delivery of the hotel with a ground floor restaurant and the wider regeneration of Market Street to accelerate the delivery of regeneration in the town centre.

The Council's commercial advisors had confirmed that the cost of developing the Sun Inn as a new hotel was higher than the end value, as such there was a viability gap. The Council had acknowledged the need to support commercial development in Gainsborough through the Gainsborough Growth Fund (a grant funding regime) and through the creation of enabling funds for the GRDP. An options appraisal to assess the best way of delivering a new hotel here had been undertaken. The conclusion had been given the existing planning consent that the owner was best placed to deliver this project based on their existing land interests, their expertise and vested interest, and to safeguard the Council from development risk.

Lengthy debate ensued with Members expressing differing views as to the desirability of the project and whether this was the best use of the Council's resources. Further clarification on any potential investment return was sought, and it was acknowledged that the most significant return would be from the multiplier effect and subsequent regeneration of a rundown area of the town. There were clauses built into the agreement which could realise a financial return in due course, and there would also be the receipt of business rates.

The Strategic Lead for Economic Development and Neighbourhoods stated that the Council was fortunate to have secured a hotel chain which had agreed to site in Gainsborough at such a strategic location which was a gateway to the town. Some Members, whilst supportive of the hotel in principle, still had reservations regarding the use of tax payers' money and the public perception of this.

The Strategic Lead for Economic Development and Neighbourhoods assured Members that the form of grant proposed was normal practice and completely legal and that without the proposed offer Gainsborough was not a viable opportunity to attract other investors. The Council had to think boldly if it wanted quality, and the proposals reflected a wider view of

regeneration, which it was suggested could be extended further into town to encompass the Market Place. A number of other investment examples were cited as demonstrations of both good and poor outcomes.

It was moved and seconded that the recommendations in the report be agreed en bloc, and on being voted upon it was:

RESOLVED that:

- a) the principle of the redevelopment of the Sun Inn, which involves the creation of a new 54 bedroom hotel with an independent ground floor restaurant, in accordance with the wider regeneration strategy for Gainsborough, (to be funded in accordance with resolution passed at Corporate Policy and Resources Committee on 22 September 2016) be supported;
- b) the entering into a 50/50 joint venture company with the developer to facilitate the regeneration of Market Street (including the acquisition of vacant shop units, refurbishment of shop units and environmental improvements to the area) as part of the Gainsborough Regeneration Delivery Plan, be approved; and
- c) authority be delegated to the Chief Executive in consultation with the Leader and Chairman of Prosperous Communities Committee to finalise both the requisite Grant Funding and Joint Venture Agreements (in accordance with the contents of this report and the legal and financial parameters), and to return to both Prosperous Communities and Corporate Policy and Resources Committees for approval prior to the execution of the Grant Funding Agreement and Joint Venture Agreement.

Note: Councillors Milne and Smith requested that it be noted that they had voted against the recommendations.

54 POTENTIAL PROPERTY ACQUISITION

The Strategic Lead for Economic Development and Neighbourhoods set out the rationale for the proposed acquisition of a property in the town.

The acquisition of the site was envisaged in the Gainsborough Regeneration Delivery Plan (GRDP) on the basis of its strategic location (relationship with the historic fabric of the town and Housing Zone designation in addition to the forthcoming master planning work to secure the town's second Housing LDO), considered by members of the Prosperous Communities and Corporate Policy Resources committee in February. In addition the potential to incorporate the site into the Development Partnership project to provide contingency retail and car parking spaces was outlined to the special committee meeting of both committees in July.

Council control of the site would enable the redevelopment of the town centre sites in its ownership, specifically the former Guildhall and in the longer term high quality redevelopment to housing and mixed-use to support the Council's regeneration objectives.

The financial details were set out in the report along with the appended Heads of Terms.

A number of questions were raised about associated car parking provision, which were clarified for the Committee, and it was again questioned as to why the focus was on housing and leisure, when there were already allocated housing sites in the town which were not currently being progressed.

The recommendations in the report were proposed and seconded en bloc and on being voted upon it was:

RESOLVED that:

- a) it be recommended to the Corporate Policy and Resources Committee that Capital Funds be released for the acquisition of the site as set out in the report as part of the Gainsborough Regeneration Delivery Plan;
- b) it be recommended to the Corporate Policy and Resources Committee that the resource implications detailed in the report be approved; and
- c) the Heads of Terms attached to the report for the above transactions be approved and officers be instructed to complete the purchase and sale in line with these terms by a long stop date of March 2017.

55 MANAGED WORKSHOP PROVISION

The Strategic Lead for Economic Development and Neighbourhoods presented a report seeking consideration of a proposal for the Council to take a head lease for a complex of industrial units, with a development team to build the units and sell these to businesses on a freehold basis.

The development team had identified a need and demand for leasehold units in the area, to cater for smaller, start-up businesses who were not yet in a position to purchase their own premises. This was a need that had also been identified by the Council.

The typical tenant for this sort of accommodation was a new start-up business with limited financial backing and the need for flexibility. In these circumstances, most tenants required short term 'easy in - easy out' leasehold arrangements which, from an investment perspective, undermined the reliability of the income stream and made it difficult to secure affordable finance to cover the cost of constructing the units.

The predicted cash flow summary and development appraisal summary were appended to the report.

Members welcomed the initiative, both to provide industrial units, to assist employment prospects, and also the fact that the proposals were for a settlement outside of Gainsborough, for which the local Neighbourhood Plan was supportive.

The recommendations were then moved, seconded and voted upon.

It was therefore **RESOLVED** that:

- a) it be recommended that the Corporate Policy and Resources Committee,

- approve, in principle, the taking of a head lease for a complex of industrial units on the site as set out in the report; and
- b) authority be delegated to the Director of Resources, in consultation with the Chair of Corporate Policy and Resources Committee for the negotiation and the final decision to approve the detailed commercial legal terms and the signing of the head lease.

Note: Councillor Darcel declared a personal non-pecuniary interest in that he used to be employed by one part of the development team.

56 GAINSBOROUGH MARKET CALL-IN

The Chairman stated that the report on the proposals for Gainsborough Market had been brought back to the Committee for reconsideration on the recommendation of the Challenge and Improvement Committee, and proposed that the Committee vote on the item without discussion.

The Chairman then proposed that option 1 be agreed, this was seconded and on being voted on it was:

RESOLVED to accept the recommendations from Challenge and Improvement Committee and commission officers to further develop the options specified and provide more detail on the nature of the proposed joint committee outlined in Option 3 and present their findings back to a future meeting of the Prosperous Communities Committee.

The meeting concluded at 8.41 pm.

Chairman