

OSMC TASK GROUP: LONDON ROAD INDUSTRIAL ESTATE

Minutes of the meeting held on 14th February 2020

Councillors present: James Cole (Chairman), Jeff Brooks, Claire Rowles and Andy Williamson

Also present: Stephen Chard (Principal Policy Officer), Sarah Clarke (Head of Legal and Strategic Support) and James Townsend (Policy Officer)

Apologies: Councillor Lee Dillon

Gordon Lundie:

Introductory question: What was your role at the time of the project?

Leader of the Council between August 2012 and November 2015. In his role as Leader he was involved with the Vision, Parkway and Market Street. Worked closely with the Chief Executive on the strategy relating to these matters which included LRIE.

1) Can you detail the governance that was put in place to ensure that the project for the redevelopment of the London Road Industrial Estate was effectively managed and progressed?

GL was part of the Executive from 2010. LRIE did not fall in his portfolio, this was more in the remit of Councillors Alan Law, Joe Mooney and Keith Chopping.

More involved, with the Chief Executive, from 2012. This included the Feasibility Study produced by Strutt and Parker.

Recalled discussions on the type of development for the LRIE – i.e. a mix of housing, industry and retail. There was much discussion on the Feasibility Study at Management Board/Operations Board. Looked at benefits that could be achieved for the Council and beyond.

In feasibility discussions with S&P looked at larger companies, potential for higher rates. Also more sustainable jobs. [REDACTED].

Selection of developer, had a shortlist of 6. S&P involved in the process that resulted in the appointment of St Modwen. The JR forced work to come to a halt.

[REDACTED]

Between 2012 and 2015 strategic decisions, not the day to day, were discussed by Management/Ops Board and taken by Executive.

Also referred to private meetings and more detailed discussions between Nick Carter and senior Members. GL stated that he had full confidence in the work of Nick Carter and Bill Bagnell.

[REDACTED]

[REDACTED]

[REDACTED]

FDL were in the shortlist of 6 after following the selection process rules. However, scored/ranked lower than others when it came to selection.

[REDACTED]

[REDACTED]

[REDACTED]

GL stated that he believed that a fair process had been followed to select St Modwen. GL felt that St Modwen were the most credible and capable.

2) Can you recall who provided the Council with advice regarding this project? & 3) Did you have any concerns about the advice received?

Main advice came from Strutt and Parker, [REDACTED]

[REDACTED]

S&P outlined a business plan which showed the costs but also the benefits to WBC including income to be received over time.

A discussion within Management Board was that WBC should take forward development themselves and not appoint a developer, thereby achieving a bigger financial receipt. [REDACTED]

[REDACTED]

[REDACTED]

Was a process followed to appoint Strutt and Parker? GL stated that this decision was made before he became an Executive Member.

Any concerns at S&P recommendations for shortlisting? [REDACTED]

Was the advice of S&P in relation to OJEU challenged? GL felt that this advice was surprising and had concerns, but was told this qualified as a land transaction. GL had no reason to believe that was incorrect. Bond Dickinson were employed to provide extra validation/a second opinion on this legal advice.

What was achieved by not following OJEU? Saving of time/money? GL – viewed as an unnecessary step. Would not go through OJEU route when unnecessary.

4) Were you/the Executive given details of the costs of the project?

How were costs monitored and additional sums signed off? Was there an escalation in costs?

GL stated that he had no clear recollection over costs. He could not recall regular reviews of total costs, but such projects were expensive to run. If a larger than expected sum came through then discussed with Chief Exec. Costs had to be agreed of gaining a second opinion, it was costly to bring in expertise. GL felt that Chief Exec was good at managing long term projects.

GL could not recall a specific budget, but had a strong expectation that there would have been, managed by Nick Carter/Bill Bagnell with oversight from Portfolio Holders.

As Leader, GL held monthly meetings with each Portfolio Holder on their performance in the role etc, but did not discuss detailed budget monitoring within that, more so oversight of projects etc in their entirety.

With the benefit of hindsight, what, if anything, could have been done differently? Any areas of learning? [REDACTED]

Approach to project management? GL stated that he had been critical of the Council's project management. Considered it to be too slow and inconsistent. However, expectations of local authorities and their capabilities had to be considered, although little difference was made with project management from employing external expertise.

GL stated that he had complete confidence in Nick Carter and Bill Bagnell and trusted their skills. They worked well with partners. So, overall, project management in WBC was adequate. Felt that progress was made with project management approach in his 3 years as Leader.

[REDACTED]

Jeff Beck

Introductory question: What was your role at the time of the project?

Was Chairman of the Newbury Town Centre Task Group (NTCTG).

1) Can you please confirm the role of Newbury Town Centre Task Group in the governance of the project for the redevelopment of the London Road Industrial Estate?

The NTCTG was advised by officers on the redevelopment process. Subject was debated and the NTCTG provided comments and views on the redevelopment.

The NTCTG was cross-party and was not solely made up by Newbury Members.

JBeck stated that the NTCTG considered that the process followed with LRIE was correct and legal, and would bring benefits to the community. Members on NTCTG considered that LRIE needed to be brought up to date. This was the general consensus of the Members.

NTCTG – a decision maker or advisor?

JBeck stated that the group discussed proposed options and acted in an advisory capacity on those options. NTCTG also made decisions over process, i.e. procurement process to be recommended/followed.

Final decisions were made by the Executive.

2) Can you recall who provided the Council with advice regarding this project?

Strutt and Parker provided the Council with advice on any potential developers.

3) Did you have any concerns about the advice received?

JBeck stated that he had no serious ongoing concerns with Strutt and Parker and the advice they provided. Advice from officers and Bond Dickinson was that the approach was legally sound and could proceed.

Decision to select St Modwen, rather than FDL? JBeck – decision taken to select St Modwen a genuine decision based on their capability and development of other sites.

Sites were visited. Members visited sites suggested by each of the shortlisted candidates. Helped inform judgements.

Councillor Beck stated that he was satisfied with the advice given to the NTCTG. He thought it was reasonable and thorough.

Who made the decisions on S&P and Bond Dickinson? Councillor Beck stated that options/decisions were discussed collectively by the NTCTG based on advice and recommendations of officers and the recommendations that came from consultants. The decisions were made/signed off by the Executive.

JBeck felt that the appointment of St Modwen was the first choice of all Members involved.

4) Were the Task Group given details of the costs of the project?

NTCTG was kept informed, particularly of external costs. Less so internal. Neither overall costs of implementing the project, but felt fully visible when necessary/transparent.

What was the process for agreeing money to advisors, particularly additional costs? What controls were in place? Councillor Beck stated that any cost requests were closely scrutinised and additional costs/charges were not accepted lightly. Questions were asked as to what funds were needed for to be clear as they arose. The Executive/Portfolio Member then signed these decisions off.

What was the involvement of Bond Dickinson? Councillor Beck said that they advised on the legality of the process.

Anything that could have been done differently? Councillor Beck felt not. WBC followed its set processes to the letter. No undue concerns were raised, i.e. by the NTCTG, other than it was a time consuming process.

Did the NTCTG make the decision on not going to OJEU? JBeck – NTCTG were advised, but did not make the decision. Believed decision was for officers.

Keith Chopping

Introductory question: What was your role at the time of the project?

KC – from memory – was on the Executive, but not on the NTCTG. Recalled attending NTCTG but this was in advance of the LRIE redevelopment.

He had his own views which he made clear for the LRIE – this was a WBC owned site. He felt the Council should not look to others to develop/make a profit on LRIE when it was WBC's land. KC argued strongly for this approach with Executive, but it did not proceed that way.

Did KC consider that the Council held the expertise to progress project internally? KC – if not held then would have been necessary to employ externally. WBC could have created a professional team. KC felt that the Council should have consulted with/worked with local commercial agents. He still held this view.

KC stated that key decisions were taken by the Executive.

1) Can you detail the governance that was put in place to ensure that the project for the redevelopment of the London Road Industrial Estate was effectively managed and progressed?

KC had little to add on this point. Once he had made his strong views known, he played little part.

He could not particularly recall updates at Management Board or Operations Board.

KC have covered many portfolios, but did not have strong recall of holding the Property Portfolio. Felt LRIE fell in the remit of other Portfolio Holders.

2) Can you recall who provided the Council with advice regarding this project?

KC stated that he couldn't recall who provided the Council with advice regarding the project as he was not involved in this part of the process. Believed it to be largely internal.

He did not recall meeting Strutt and Parker.

3) Did you have any concerns about the advice received?

Not involved in this aspect.

4) Were you/the Executive given details of the costs of the project?

KC unable to offer any information on costs.

St Modwen were selected and it was felt that they were an organisation that could handle such a large project. It was also acknowledged that it would be a long term project due to the makeup of the site and the number of leases. KC agreed with the recommendation put before Executive to appoint St Modwen.

[REDACTED]

KC stated that legal advice was received on not following the OJEU process. Advice was that OJEU did not need to be followed. It was a relief that this did not need to be followed, but it had been his expectation that the Council would have followed OJEU in line with its risk averse approach.

Paul Bryant

Introductory question: What was your role at the time of the project?

A Member of the NTCTG. Also on Planning Policy Task Group. NTCTG received information, advice, guidance etc for the LRIE.

Recalled the view being formed that a comprehensive redevelopment was needed for the entire site and not on a piecemeal basis. A masterplan was needed. It was recognised that redevelopment would take a long period of time.

Recalled that the Faraday Plaza proposal was a complication as was the football ground. Otherwise there were no other areas of concern.

1) Can you please confirm your understanding of the role of Newbury Town Centre Task Group in the governance of the project for the redevelopment of the London Road Industrial Estate?

The NTCTG was an advisory group for the relevant Portfolio Holder(s). A purpose of the group being to discuss and debate the redevelopment/its proposals. This would help to advise the Portfolio Holder in advance of decisions being taken by the Executive in addition to officer advice. PBryant recalled Pamela Bale attending as Portfolio Holder for the Visions.

At this time this was a new area of activity and it was necessary for the Council to feel its way forward.

He recalled that the NTCTG was a minuted meeting.

PB was not involved in the site visits. He did recall each candidate presenting their case for the redevelopment. It was difficult to differentiate between the stronger bidders.

The NTCTG was advised of the St Modwen selection. Paul Bryant said that he felt that St Modwen had a reasonably strong background in this type of area and felt they were competent to handle large developments based on their experience. He then stated that the Task Group gave their opinion to the Executive and from there it was decided that St Modwen were the best option.

2) Can you recall who provided the Council with advice regarding this project?

Paul Bryant stated that the Council were given professional advice, but that he could not recall who from.

The consensus among the NTCTG at least was that expert/external input was needed and that the Council could not do this alone. He was not directly involved in the appointment of the advisors.

3) Did you have any concerns about the advice received?

Paul Bryant stated that he did not have any concerns with the advice/recommendations from Strutt and Parker. The consensus on the Task Group was that this was a sensible way forward and no concerns were raised. The NTCTG supported getting a developer in.

The task group did not have oversight of the legal advice and would not be involved in this aspect. His assumption was that legal processes would be followed.

4) Were the Task Group given details of the costs of the project?

Paul Bryant stated that he believed he saw some initial seed costs for the receipt of advice. He felt that pre tender costs were estimated, a 'finger in the air', rather than a set budget. He could not recall a budget being outlined to the Task Group. It would have been difficult at the outset to cost a budget when the project was expected to run for a long period of time.

He added that he could not recall the costs of advice from Strutt and Parker, he believed they were relatively minor costs. He was unclear on costs of legal advice. Actual construction costs were held separately.

PB recalled his expectation that the Council would have followed OJEU. He was unclear if OJEU had been followed or not, only a vague recollection that was not followed. The NTCTG did not hold the necessary expertise to have made the decision to not follow OJEU route. Did not remember NTCTG discussing OJEU.

Lessons learnt - PB stated that legal expertise had to be employed where necessary for advice and that advice had to be closely followed by those involved.

With the benefit of hindsight, PB did not think that the Council could have done any better. More questions could perhaps have been asked on processes, but the approach for LRIE was little different to that taken for other major projects such as Grainger or the Veolia contract.

Roger Hunneman

Introductory question: What was your role at the time of the project?

RH involved as Ward Member and a Member of the NTCTG for many years.

1) Can you please confirm the role of Newbury Town Centre Task Group in the governance of the project for the redevelopment of the London Road Industrial Estate?

RH stated that much time had passed since he was involved – over 6 years ago – so was difficult to recall. Any records he had were on his WBC laptop which he no longer had. There was no public record of the NTCTG.

RH stated that he did not think that the Task Group played a big role. He could not remember the task group taking votes on ways forward, although highly likely that options would have been discussed and views given in advance of going to the Executive. However, did not want to speculate when he was unclear on the details.

RH was Deputy Leader of the Opposition at the time and that from as far as he was aware, everything seemed to be in order/as it should be so little need to challenge extensively. Regular briefings were received from the Chief Executive.

2) Can you recall who provided the Council with advice regarding this project?

RH remembered WBC hiring external consultants to provide advice over the redevelopment of the LRIE. Recalled having sight of this on the NTCTG. Strutt and Parker advised the Council. RH added that legal advice was provided by the Council's legal team, specifically from Shiraz.

3) Did you have any concerns about the advice received?

RH said that he had some concerns, particularly with the benefit of hindsight, over the avoidance of a public procurement process and not wanting to publish in the OJEU. He recalled legal advice that this was unlikely to be challenged.

The OJEU process was discussed and Legal were asked for advice. The advice was that OJEU did not need to be followed as this was not a public procurement – he accepted this view from legal advisors. RH was concerned re avoidance of OJEU but he was put at ease on receipt of legal advice.

RH recalled Members being informed that OJEU process would take more time, create more work and add costs. Avoidance of OJEU would be quicker and more cost efficient. There was a desire to crack on with the work. There were also resource limitations.

RH restated the view that legal concerns were addressed adequately by legal officers and by Strutt & Parker. Therefore, no particular objections or need to challenge. High majority of Members wanted the project to proceed for the good of the community.

RH was not personally involved in the site visits. Recalled that St Modwen were considered to be a robust partner who scored strongly. Felt that selection of St Modwen was a sound decision that followed a thorough process. Could not recall any particulars relating to FDL.

4) Were the Task Group given details of the costs of the project?

RH did not recall detailed discussions on costs at NTCTG other than a general oversight of total budgets and headline figures. However, felt that Strutt and Parker costs were seen by the Task Group.

Lessons learnt – RH felt that a through process had been followed at the time, although difficulties had since followed.