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OVERVIEW AND SCRUTINY MANAGEMENT COMMISSION

MINUTES OF THE MEETING HELD ON TUESDAY, 26 JANUARY 2021

Councillors Present: Jeff Brooks, Hilary Cole, James Cole, Lee Dillon (Vice-Chairman), Lynne Doherty, Gareth Hurley, Alan Law (Chairman), Ross Mackinnon, Alan Macro, Thomas Marino, Erik Pattenden and Tony Vickers

Also Present: Bill Bagnell (Manager - Special Projects), Nick Caprara (Housing Strategy Development & Review Manager), Gary Lugg (Head of Development & Planning), Gabrielle Mancini (Economic Development Officer) and Janet Weekes (Housing Manager), Gordon Oliver (Corporate Policy Support) and James Townsend (Clerk)

Apologies for inability to attend the meeting: Councillor Garth Simpson

PART I

27. Minutes

The Minutes of the meeting held on 6 October 2020 were approved as a true and correct record and signed by the Chairman, subject to the following amendments:

- Councillor Law asked for the action for the Digital Transformation Task Group under the topic 'barriers to shared services' to be included in the list of actions.

28. Actions from previous Minutes

There were 7 actions followed up from previous Commission meetings:

- 18 - This had been re-scheduled for the April OSMC meeting.
- 25 - Councillor Marino noted the ICT / Digital Task Group would meet every 6 months
- 26 - Complete
- 27 - Councillor Law asked for a further update to the April OSMC meeting
- 28 - Ongoing
- 29 - Complete
- 30 - Complete

29. Declarations of Interest

Councillors Tony Vickers and Erik Pattenden declared an interest in Agenda Item 6, but reported that, as their interest was a personal or an other interest, but not a disclosable pecuniary interest, they determined to remain to take part in the debate and vote on the matter.

Councillor Lee Dillon declared an interest in Agenda Item 8, and reported that, as his interest was a disclosable pecuniary interest or an other registrable interest, he would be leaving the meeting during the course of consideration of the matter.

30. Petitions

There were no petitions received at the meeting.

31. Items Called-in following the Executive on 17 December 2020

(Councillors Tony Vickers and Erik Pattenden declared a personal interest in Agenda Item 6 by virtue of the fact that they were Members of Newbury Town Council. As their interest was personal and not prejudicial or a disclosable pecuniary interest, they determined to remain to take part in the debate and vote on the matter.)

In accordance with the Council's Constitution, five Elected Members (Councillors Lee Dillon, Alan Macro, Jeff Brooks, Tony Vickers and Erik Pattenden) called in the Executive Decision (EX3978) on the London Road Development Options.

Councillor Ross Mackinnon introduced a report that outlined the details of the objectives of development on the London Road Industrial Estate and requested funding to help achieve the objectives through successful development of the site. He noted that the project remained a priority as part of the Council Strategy, and that the report sought to provide a way forward to enable development on the site, in a phased approach, following consideration of the Development Brief, and the consultation on this, as well as the Council's objectives for the site as a whole. He noted that the Executive resolved to approve as follows:

- a) a phased approach option to the development of the site within an overall vision for the development as a whole.
- b) the objectives of the development as per paragraph 5.14.
- c) commissioning a Supplementary Planning Document (SPD) to help better align development proposals with Planning Policy, to set out estate wide design criteria and infrastructure requirements and for the cost of this work to be found out of annual funding requested in this report.
- d) a one-off budget of £45,000 to provide funding for feasibility services in the 2020-21 financial year including, as appropriate, negotiations with estate stakeholders with commercial interests.
- e) the renaming of the London Road Industrial Estate working in consultation with the public.

He also noted that the Executive recommended, for inclusion in the budget papers, a revenue budget of £100,000 per annum over the next three years to provide for specialist consultancy support during the project development where the Council does not have internal resources to provide the specific project resources.

Councillor Dillon noted that the call-in mechanism had been used sparingly in recent years. In this case, it was being used to ensure that the Executive were considering the unique set of circumstances surrounding London Road Industrial Estate (LRIE) and to secure confidence that adequate resources were being provided to help manage the project. He noted that the opposition were in favour of the re-development of LRIE and that they wanted to proceed without undue delay. He stated that there were four areas where clarification was required about how the project would be delivered. He thanked Councillors Hilary Cole and Ross Mackinnon for providing written responses in advance of the meeting.

Councillor Jeff Brooks noted that paragraph 5.11 of the report was factually incorrect, since the Liberal Democrats had been removed from the Project Board. In paragraph 5.13, he noted that there would be a dedicated lead project officer rather than project manager, and the project sponsor already had a large portfolio. He suggested that this did not equate to strong project management. He referred to the findings of the OSMC review of the first attempt to develop the LRIE, which had highlighted shortcomings with the project management methodology and experience within the Council, and with

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document control. He suggested that the Council did not have the project management expertise for a project of this size and that partners would look after their own commercial interests. He suggested more funding should be allocated for additional project management support to protect the Council's interests and that it was a great risk to do otherwise.

Councillor Vickers introduced points 2 and 3 of the call-in, relating to the need for a stronger "Chinese wall" between the Council as landowner and planning authority, and the unacceptable risks of a phased approach without first undertaking full environmental assessment of the whole site. He indicated that through an FOI request, he had seen details of conversations between the Council and Sport England. He highlighted Sport England's strong objection to the loss of the football pitch. He also noted that St Modwyn had made plans to incorporate this into its plans, funded through increased housing provision, but this had been rejected by the Planning Authority, and the Council had made it clear that regeneration of the site was not possible with the football ground in place. He referred to the National Planning Policy Framework, which required replacement and funding of facilities lost as part of development. He stated that the land under the football ground was contaminated, so an environmental assessment was needed. He also highlighted the need for green infrastructure on the site.

Councillor Law asked Councillor Vickers to stick to the points in the call-in report.

In regard to the 'Chinese Wall', Councillor Vickers stated that senior planning officers involved in pre-application discussions appeared to have a predetermined approach, despite not having a Supplementary Planning Document in place. He suggested that the Council had foregone £1 million of tax revenue every year since Faraday Plaza.

Councillor Law stated that Faraday Plaza had nothing to do with the Executive Report on the future of the LRIE project. He suggested that Councillor Vickers was trying to go back over old ground and the points were not relevant to the debate.

Councillor Vickers stated that the proposed phasing relied on re-developing the football ground first, which was the only piece of green infrastructure on the site, so the Council would immediately be in breach of planning policy. He indicated that he wanted an SPD produced and a thorough environmental impact assessment carried out in parallel to identify where the risks might be, including those relating to planning policy. He suggested that the Council should be more ambitious and have a more intensive development to pay for the football ground to stay.

Councillor Dillon spoke to point 4 of the call-in, which related to a lack of clarity of the market for offices and flats as the longer-term ramifications of the pandemic were not yet understood. He highlighted Savill's Global Sentiment Survey, which showed that home-working and video conferencing was likely to increase, with Covid-19 accelerating this trend. He also highlighted the economic downturn associated with the pandemic and pointed to the IMF's report showing that the economy was well below pre-Covid levels. He suggested that the recession would impact on future demand for office space, with a 'new normal' post-Covid with less dense office occupation, and increased home working. He suggested that flats would have to be part of the housing mix on the site, but pointed out that the value of flats had fallen during Covid, with larger properties more in demand. He stated that the report did not identify these risks and suggested that they should be considered to ensure the development was fit for the future.

Councillor Brooks noted that paragraph 5.8 did not make reference to project management.

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Councillor Mackinnon stated that the Liberal Democrats had been removed from the project board because they had undermined it. Councillor Dillon suggested that 'undermined' was an emotive word; they had simply highlighted an alternative approach.

Councillor Mackinnon noted that all points listed in paragraph 5.8 related to project management. He suggested that concerns amounted to semantics about job titles. He noted that the Council had implemented the LRIE task group's recommendations and that £100,000 would be allocated to project management support. In relation to the 'Chinese Wall' he stated that the Council had a standard structure and he had full confidence in the integrity of officers. He expressed disappointment that old ground had been recovered in relation to the football club. In terms of the phased approach, he confirmed that a full environmental assessment would be carried out as part of preparations for the outline planning application. In relation to uncertainty in the marketplace, he noted that perfect information was never available and suggested that now was the right time to invest. He highlighted that the district had performed well in previous recessions and he was confident in the future demand for office space.

Councillor Hilary Cole noted that Councillor Vickers' comments either did not align to the history of the LRIE or were irrelevant. She stated that there was a clear distinction between the Council as landowner and planning authority. She explained that Economic Development was previously part of her portfolio, but it had been passed to Councillor Mackinnon in recognition of the fact that there could be a conflict of interest. She had also stood down from the LRIE Project Board.

Councillor Steve Masters indicated that he welcomed the call-in as it showed transparency and he considered scrutiny to be healthy for democracy.

Councillor Tom Marino asked Councillor Vickers for examples of where the integrity of the planning department had been compromised previously and if he had any proposals for how this could be improved.

Councillor Vickers explained that he did not question officers' integrity, but perceptions were important, and there could be a perceived conflict of interest, particularly given the history of the site. He suggested that reporting could be through the Executive Director of Place, since she had no prior involvement in the project.

Councillor Claire Rowles asked if specialist consultancy support for project management would be bought in where needed. Councillor Mackinnon confirmed this was correct. Councillor Rowles indicated that the Corporate Programme Office had been set up in response to the recommendations of the LRIE Task Group. She asked Councillor Brooks what more he wanted the Council to do, especially in an age where consultancy fees were of public concern.

Councillor Brooks expressed surprise that Councillor Mackinnon was so dismissive of the call-in. He noted that £100,000 would only give around 50 days of consultancy support, which would be insufficient for the level of project management required. He suggested that the budget should be doubled.

Councillor James Cole noted that LRIE Task Group's comments were legitimate criticism at the time. However, the Council had put measures in place to improve project management, so he did not share Councillor Brooks' concerns. In terms of the effects of the pandemic, he suggested that many people would choose to return to work in offices. He suggested that Newbury would continue to attract technology companies and suggested that choosing not to develop LRIE now would be the wrong approach.

Councillor Gareth Hurley indicated that the project manager's job title was not as important as having an individual who knew what they were doing and having the right governance structure in place. He suggested that the budget may be reviewed in future.

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He also suggested that it was vital for West Berkshire to demonstrate that it was 'open for business', otherwise business would be attracted to more forward-thinking towns.

Councillor Alan Macro noted that several major projects had been run in the last few years, which had stretched project management expertise very thinly, and he was concerned that the Council may make the same mistake again.

Councillor Marino asked Councillor Dillon if he had raised the concerns picked out in the call-in, when he was part of the Project Board. Councillor Dillon could not recall if they had been raised.

Councillor Lynne Doherty stated that she welcomed scrutiny across the Council, but LRIE had been scrutinised repeatedly. She stressed that the priorities were focused on employment and jobs, inward investment and enabling businesses to grow. She disagreed with Councillor Dillon's comments. She noted that the LEP had put together a Recovery and Renewal Plan and the opportunities for new infrastructure were now. She highlighted the synergies with other work in the town centre and suggested that having more offices and residential development around the High Street would help it to thrive. She referred to a media article that had highlighted Newbury as a growing tech hub and suggested that now was the time to make the most of opportunities. She expressed a desire for cross-party working to make this project happen.

Councillor Vickers apologised to Councillor Mackinnon for not acknowledging his written response, but indicated that this was not available when the call-in had been made. He was pleased that an environmental impact assessment would be carried out. He noted that on page 24 of the Avison Young Masterplan, Gateway Plaza was within the red line area for which the Council was responsible. He suggested that funding may be available from the developer. In terms of going over old ground, he noted that scrutiny of the project had been on project management rather than planning policy, which had got in the way of development. He concluded by suggesting that the Council had stood in the way of economic growth and had lost Council Tax revenue and jobs.

Responding to Councillor Hurley's comments, Councillor Brooks indicated that he had been involved in developing the forerunners to the PRINCE project management methodology and so had some knowledge on the subject. He suggested that Council had not previously run a project of this scale. He wanted to see the site developed, but he also wanted to reduce the risk by spending more money to get appropriate project management expertise. He expressed disappointment that the call-in had been treated so dismissively and indicated that the call-in was not politically motivated.

Councillor Dillon noted that job titles did matter and there was a need for a central figure, but the role was not being created for LRIE. He noted that the requirements for post-Covid office accommodation would affect the economic return on the development, but this was not picked up in the brief. He also took issue with Councillor Doherty's comments about excessive scrutiny of LRIE, but indicated that this was the first time that this aspect had been scrutinised. He stated that the opposition wanted to build back better, but it was important to get the phasing right. He stated that the proposed phasing went against the Council's own planning policy, so there was a need for clear transparency and a 'Chinese Wall' between Economic Development and Planning. He did not feel that the call-in had been frivolous and felt that the written responses had been helpful and had given the opposition members some confidence.

The Chairman noted that many of the recommendations from the LRIE Task Group had been put into effect. He noted that new project management structures and processes were in place and this was the first opportunity to see them in action. He indicated that he had first-hand experience of the Council's Chinese Walls when he had been Portfolio

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Holder for Planning and had confidence in them. In relation to the market uncertainties, he suggested that this was a good reason to have phased implementation.

Councillor Dillon made a proposal as per paragraph 2.2 of the call-in report: That a decision on the options should be paused until an environmental assessment of the entire site has been carried out, the fall-out of the pandemic was better understood, and the appropriate project management structure and expertise is in place. The proposal was seconded by Councillor Brooks. At the vote, the proposal was not carried.

An alternative proposal was put forward by Councillor James Cole that OSMC concurred with the Executive decision and that it could be implemented with immediate effect. This was seconded by Councillor Claire Rowles. At the vote, the proposal was carried

RESOLVED that OSMC concurred with the Executive decision and that it could be implemented with immediate effect.

32. **Receive Responses of the Council, Executive or Other Committees to Reports of the Commission**

Resolved that the report be noted.

33. **Draft Housing Strategy**

(Councillor Dillon declared a personal and prejudicial interest in Agenda item 8 by virtue of the fact that he was an employee of Sovereign Housing. As his interest was personal and prejudicial he left the meeting and took no part in the debate or voting on the matter.)

The Commission considered a report (Agenda Item 8) concerning the Draft Housing Strategy.

Councillor Hilary Cole noted that the Housing Strategy covered the period to 2036. She acknowledged concerns regarding the impact of Covid, but suggested it was not wise to delay, since the impacts were unknown and unquantifiable, and the strategy would be regularly reviewed. She noted that it linked to other key strategies, such as the Environment Strategy and the Minerals and Waste Plan. In relation to the consultation, she noted that 477 people had ignored the instruction to read the survey before completing the survey, which resulted in responses being abandoned. As a result only 271 responses were viable for data analysis purposes. She stressed the importance of adopting the strategy.

Janet Weekes made the following points in relation to the strategy:

- It would replace the current housing strategy adopted in 2010.
- It was a Corporate priority.
- A peer review had been undertaken in 2019.
- It enabled the Council to set out its future strategic plans.
- Although not a statutory requirement, it would meet a range of statutory duties.
- It was a high level strategic document linked to other strategies and operational policies.
- The Housing Strategy would run up to 2036.
- The consultation ran for 6 weeks, with 271 valid responses received and a consultation report had been produced.
- Extensive communications had been carried, including use of social media.
- Key themes from the consultation included: affordability / more affordable housing and environmental / climate considerations.
- The Strategy was scheduled to be adopted at Executive in March 2021.

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She highlighted a number of key challenges:

- How best to influence the housing market
- It would require more than just building new homes
- Mitigating the effects of welfare reform
- Understanding and addressing the housing need of residents
- Responding to ever-changing needs, including the effects of Covid-19
- Delivery of the housing strategy via a delivery plan

She concluded by highlighting the two priorities in the strategy:

- Priority 1 – Enable every resident to have access to a home that meets their needs
- Priority 2 – Reduce homelessness

Councillor Tony Vickers noted that 83% of housing was privately owned. He commented that owner-occupied housing was falling and private rented accommodation was growing. He stated that this could lead to insecurity of tenure and there was a need for stability. He was pleased to see measures to incentivise landlords to make arrangements for homeless individuals to retain their security, but asked for further information and confirmation that sufficient resources were in place to address this.

Janet Weekes explained that pressure bids had been submitted to ensure sufficient resources would be in place to implement the strategy.

Councillor Steve Masters noted good progress made in addressing homelessness and asked if there would be a continual need to ask for extra funding from outside the Council. Councillor Hilary Cole stated that the Council had been successful in securing previous Government funding and would continue to bid for available grants in future.

Councillor Masters also asked if the strategy provided the Council with the ability to secure high environmental standards from developers. Councillor Hilary Cole explained that the new Local Plan would address this. She stated that the Council was always keen to enforce high environmental standards in housing, but it was dependent on Central Government rules.

Councillor James Cole suggested that the Housing Strategy should have a third priority, reflecting the Climate Emergency declaration. Councillor Hilary Cole reiterated that the emerging Local Plan would strengthen environmental policies and that it was unnecessary to have a third priority in the strategy.

Councillor Tom Marino asked about the drop in the number of disabled facilities grant paid from 2015 to 2016. Janet Weekes explained that the Council had not achieved spend and the number of grant applications were lower in that period.

The Chairman praised the strategy and indicated that it was superior to the previous version. He suggested that further details should be included on the Council's Joint Delivery Vehicle and the proposed Council-owned housing company. Also he suggested that research should have been undertaken prior to writing the strategy to identify the level of demand for affordable rent and discounted home ownership products from young people and key workers.

RESOLVED that the report be noted and passed to the Executive for approval.

Councillor Lee Dillon rejoined the meeting. His query about the survey was answered by Councillor Hilary Cole as per the discussion earlier in the meeting.

34. Revenue Financial Performance Report - Quarter 2 of 2020/21

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The Commission considered a report (Agenda Item 9) concerning the Revenue Financial Performance Report - Quarter 2 of 2020/21.

Joseph Holmes outlined the in-year financial performance of the Council's revenue budgets and asked members to note the forecast underspend of £1.5 million, which was linked to Adult Social Care, the impact of Covid-19 and the Government funding that had been received.

Councillor Brooks noted the forecast for year-end was an underspend of £1.5 million, but suggested that the final amount would be more than this. He noted that there had been a history of under-spend increasing in Quarter 4 and that he would not be surprised to see the figure increase to £3 million, and he suggested that the Council needed to improve its forecasting.

The Chairman noted the significant funds allocated by Central Government in response to the pandemic. Also, he highlighted the net position in Appendix A of the report and queried if the £1.5 million underspend was against the revised budget, and if the figure was actually £2.5 million when considered against the original budget. Joseph Holmes confirmed this was correct. Councillor Lee Dillon suggested that this should be highlighted in future reports. Councillor Gareth Hurley suggested that information should be provided to show in which quarter the budget had changed. The Chairman suggested that future reports include a commentary to explain adjustments in the last period.

RESOLVED that the report be noted.

35. **Capital Financial Performance Report - Quarter 2 of 2020/21**

The Commission considered a report (Agenda Item 10) concerning Capital Financial Performance Report - Quarter 2 of 2020/21.

Councillor Ross Mackinnon outlined that the financial performance report provided to Members on a quarterly basis reported on the under or over spends against the Council's approved capital budget. He highlighted a £6 million increase in reprofiled projects from Quarter 1. He identified the effects of the Covid pandemic as the main reason for projects being delayed, but gave assurance that they were not being cancelled.

Councillor Vickers asked about paragraph 5.4b, which indicated that Newbury Station car park was not proceeding as originally planned. He asked if this was different to the Market Street project. Joseph Holmes confirmed that the Council had the opportunity to purchase floors in the new multi-storey car park, but the landowner had subsequently decided to take the option, so it was no longer available to the Council.

The Chairman asked about the project on the south side of Newbury Station. Nick Carter indicated that it was still going ahead. Councillor Mackinnon noted that it had slipped to August 2021 as a result of a GWR delay.

Councillor Gareth Hurley declared a prejudicial or a disclosable pecuniary interest by virtue of the fact that he worked for GWR and indicated that he would take no part in any further debate on this project.

RESOLVED that the report be noted.

36. **Overview and Scrutiny Management Commission Work Programme**

The Commission considered its work programme.

The Chairman proposed that he, the Vice Chairman and Gordon Oliver should meet to discuss the programme in more detail and report back to the meeting on 9 February.

RESOLVED that the work programme be noted.

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(The meeting commenced at 6.00 pm and closed at 8.26 pm)

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