

## **CABINET MEMBER FOR PLANNING, REGENERATION & ECONOMIC DEVELOPMENT**

RECORD OF DECISIONS taken by the Leader with responsibilities for Planning Regeneration and Economic Development, Councillor Donna Jones, at her meeting held on Tuesday, 15 November 2016 at 9.30 am in the Executive Meeting Room, The Guildhall, Portsmouth.

### **Present**

Councillor Donna Jones (in the chair)

Councillor Ben Dowling  
Councillor Colin Galloway

#### **25. Declarations of Members' Interests (AI 1)**

There were no declarations of members' interests.

#### **26. Apologies for Absence (AI 2)**

There were no apologies for absence.

#### **27. Forward Plan Omission and Special Urgency Provisions (AI 3)**

The Forward Plan omission was noted.

The Chair of the Scrutiny Management Panel had been notified and agreed that the decision is being made in accordance with the City Council's Constitution (Access to Information Procedure Rules, Rule 15) and (Special Urgency), Section 16). As urgent action had to be taken to enable a clear and timely dialogue with the market, it was impracticable to defer the decision until it had been included in the next forward plan and it was not possible in view of the urgency to meet the usual notice period provisions. It was also noted that the decision would not therefore be subject to call-in.

#### **28. Sale and leaseback - White Hart Road (AI 4)**

(TAKE IN REPORT)

The Leader of the Council with responsibilities for PRED, Councillor Donna Jones, welcomed everyone to the meeting and invited Mr Jerry Brown to make his deputation which he then did. Councillor Jones thanked Mr Brown for his deputation and said that she expected the matters raised to be clarified during the course of the meeting.

Tom Southall, then introduced the report which updated members as to the envisaged terms of the proposed sale and leaseback transaction as detailed in the Cabinet report of 22 September 2016.

Since then officers had marketed the sale and leaseback proposal (the sale of the income strip) and feedback received was that there was an opportunity to

further increase the capital receipt receivable by the Council if a longer term leasehold interest were created.

Mr Southall said that the first point raised in the deputation basically queried what the benefit to the purchaser would be in paying the extra money and expressed concerns about a clause enabling the purchaser to take away the lease back to PCC under certain circumstances. He said in answer to this that it was important to give certainty to the purchaser going forward. Enough legal protection would be included in the contract to ensure that there was no significant risk to the Council by extending the lease. He explained the break clause option would be in favour of Portsmouth as set out in 3.6 of the report.

Councillor Jones added that essentially the purchaser is buying potential for income beyond 41 years. PCC was a solid low risk entity and was probably regarded as being a safe pair of hands. Concerning the point about the future use of the land being at the disposition of the purchaser, the current situation is that PCC is the freeholder and as such would have a veto on any development proposed by the lessee (additional to Planning Permission.)

With regard to the Arms- Length Property Company, Ravelin, Councillor Jones said no decision had yet been taken about using this company and there is no current expectation to do so in this connection. It is an option but if this needed to be used in the future, it would involve agreement by a minimum of three directors and a councillor and care would have to be exercised to ensure there was no conflict of interest. However, this is not the intention at present.

With regard to the point raised about the exempt appendices not being available to members of the public, Mr Southall said that the appendices detailed options but not financial information. He said there is a requirement to report annually on activity in the investment fund.

With regard to the point raised in the deputation concerning financial incentives for individual officers, Councillor Jones said there were no financial incentives and elected members would be involved in any event.

With regard to exempt documents, Councillor Jones said that figures could not be made public as negotiations had not been concluded. Care had to be taken to ensure that information disclosed did not compromise the Council's position. Although the Council wanted to be as open and transparent as possible, this had to be balanced by recognising that PCC operates in a commercial environment.

With regard to points raised in the deputation about whether adequate checks and balances were in place to ensure that taxpayers' money is being correctly and wisely used, Councillor Jones explained

- External auditors were in place to provide checks
- There was already a wealth of good experience within the Council but a specialist has been appointed with specialist expertise with regard to the investment fund. Rather than just accepting cuts the Council has focused on producing income from investments

On this occasion, PCC does not want to sell the freehold but to adopt the recommendations in the report and Cllr Jones thanked all the officers

concerned for their work. Capital receipts could be invested elsewhere to achieve good returns which would offset future savings requirements. To conclude, Councillor Jones said she welcomed the recommendations set out in the report.

Councillor Galloway had no additional queries or comments.

Councillor Dowling thanked Mr Brown for his deputation and said he felt the queries raised had been addressed.

He said the recommendations made good financial sense.

The Leader of the Council with responsibilities for PRED thanked everyone for attending.

**DECISION: the Leader of the Council with responsibilities for PRED authorised**

- i. The Council to grant a new headlease and leaseback in land on White Hart Road, Portsmouth, the term of the headlease to be up to 150 years with a break in favour of the Council as freeholder, operable on expiry of the Wightlink occupational lease;**
- ii. Delegated authority to be given to the Director of Property and the Director of Finance & Section 151 Officer, taking advice from the City Solicitor, and in consultation with the Leader of the City Council, to approve the completion of disposal in i. above.**

The meeting concluded at 10.35am.

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Councillor Donna Jones  
Leader of the Council with responsibilities for Planning,  
Regeneration & Economic Development.