

CITY EXECUTIVE BOARD

Wednesday 28 January 2009

COUNCILLORS PRESENT: Councillors Bob Price (Chair), Ed Turner Vice-Chair) Antonia Bance, Mary Clarkson, Colin Cook, Bob Timbs and Oscar Van Nooijen.

OFFICERS PRESENT FOR THE WHOLE OF THE MEETING: Peter Sloman (Chief Executive), Mel Barrett and Tim Sadler (Executive Directors), Sarah Fogden (Finance), Chris Lee (Media and Communications) and Lindsay Cane, Pat Jones and Brenda Lammin (Legal and Democratic Services).

OFFICERS PRESENT FOR PART OF THE MEETING: Michael Crofton-Briggs (City Development), Graham Stratford, Nerys Parry and Dave Scholes (Community Housing and Community Development), Jane Lubbock (Strategic Procurement and Shared Services) and Chris Lee (Media and Communications).

163. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor Sajjad Malik,

164. DECLARATIONS OF INTEREST

Councillor Bob Timbs declared a personal and prejudicial interest in the item on Leisure Market testing (minutes 169 and 174) because close relatives of his worked at the Temple Cowley Swimming Pool. He left the meeting during discussion of and voting on this item.

165. PUBLIC QUESTIONS

There were none.

166. PROPOSED EXPENDITURE OF FINANCIAL CONTRIBUTIONS MADE TO THE COUNCIL UNDER PLANNING AGREEMENTS

The Head of City Development submitted a report (previously circulated and now appended).

Resolved to RECOMMEND Council to agree to the inclusion of new developer funded schemes to be added to the Capital Programme and additional contributions to developer funded schemes already in the Capital Programme, as set out in Appendix 1 to the report.

167. REDEVELOPMENT OF THE OLD FIRE STATION – BUSINESS CASE

The Head of Community Housing and Community Development submitted a report (previously circulated and now appended). The Board also considered the comments and recommendations of the Communities and Partnership Scrutiny Committee, which had considered the report at its meeting on 22 January.

Resolved to: -

- (1) Approve the approach described in the body of the report with regard to the determination of rent and subsequent need for a grant, on the basis that detailed terms for approval will be submitted to the Board in due course;
- (2) Approve in principle a grant from Community Housing and Community Development to cover the cost of 755 of the 20% discretionary top up rate relief when the project opens;
- (3) Grant full project approval for the redevelopment of the Old Fire Station in accordance with the provisions set out in the report;
- (4) Authorise the Executive Director, City Regeneration, to enter into all relevant contracts necessary to take the project up to the end of Phase 3 of the Project Plan, as set out in the report, including the appointments of an architect and consultant team;
- (5) Authorise the Head of Property and Facilities Management to commence and agree lease negotiations and heads of terms with the prospective operator and leaseholder, on the basis of the City Council's standard form of commercial lease;
- (6) In response to Communities and Partnership comments and recommendations agreed to: -
 - note the Committee's support;
 - note that the building would still be known as the Old Fire Station and that Crisis Skylight would be just one of part of the inside of the building;
 - welcome the continued involvement of the Scrutiny Committee in the governance and structure of the project as it develops.

168. SUB-REGIONAL CHOICE BASED LETTINGS AND A REVISED ALLOCATIONS SCHEME

The Head of Community Housing and Community Development submitted a report (previously circulated and now appended). The Board also considered the comments and recommendations of the Communities and Partnership

Scrutiny Committee, which had considered the report at its meeting on 22 January.

Resolved to RECOMMEND Council to: -

- (1) approve the adoption of the revised Allocations Scheme at Appendix 1, with effect from 25 May 2009;
- (2) authorise the Head of Community Development and Community Housing to amend the effective date by up to three months if required;
- (3) In response to Communities and Partnership comments and recommendations agreed to: -
 - note the Committee's concerns about the consequences of the changes for individuals, that officers will be working hard to ameliorate any problems and that information will be provided as the impact of the changes becomes clearer;
 - welcome the offer to assist in the review of how the new allocation scheme was working.

169. LEISURE MARKET TESTING

The Strategic Director, City Services, submitted a report (previously circulated and now appended). The Board also considered an additional exempt from application appendix containing a financial summary of the final submissions, and an independent external appraisal of the financial evaluation model carried out by Paul Blacker of PCB Consulting Ltd. Paul Blacker commented that the financial evaluation method scored Fusion quite harshly because of their proposed method of operating the facilities and did not give Fusion enough credit for the improvements made to facilities and generating higher levels of income, thus making the gap between Fusion and GLL appear wider than it really was.

Three members of the Value and Performance Scrutiny Committee had met informally to pre-scrutinise the outcomes from the leisure market testing evaluation and the Board considered and responded to their comments and recommendations as follows: -

- a) This was a well-run process that has produced 2 strong bids. There was clearly not enough time, because of the Council's financial position, for the in-house team to make the improvements offered by the trusts.

Response The Board welcomed the comment that the process had been well run. The in-house team had been able to take part meaningfully throughout the process.

- b) That the City Executive Board take the whole of this debate in confidential session to allow for confidential information to be presented in a joined up and therefore clear fashion.

Response The Board did not agree that the public should be excluded for the whole discussion. It was morally and legally right that as much as possible should be taken in public and only commercially sensitive information needed to be taken in closed session.

- c) That a summary of key points of both bidders be presented alongside the scores against the tender evaluation criteria, to produce a more informed debate.

Response The Executive Director, City Services, submitted a summary of the key differences between the two final bids to assist the Board's deliberations.

- d) That the formation of the "client side" should be considered as a matter of urgency, along the robust lines that produce client contractor relationships that serve the delivery of the Councils aims well.

Response The Board agreed - this was addressed in the report.

- e) That early and inclusive discussions are facilitated by the "client side" on the reporting and governance arrangements of the contract including the formation of the arms length board

Response The Board agreed that this was important. Both the Scrutiny Committee and the Board would want to be heavily involved, particularly in the early part of the process. Also the external auditors may wish to be involved in performance monitoring.

The Chief Executive referred to the extensive process undertaken to reach this point in the leisure market testing exercise and information and briefing notes that had been issued to members. However, he stressed that the decision made by the Board must be based entirely on the documents formally submitted for this meeting.

Resolved that, having carefully considered the information submitted, the Board agreed in principle (subject to consideration of the exempt from publication information in part 2 of the meeting) to: -

- (1) Authorise the Executive Director, City Services, to finalise and enter into an appropriate transfer agreement, leases (or sub-leases) to all relevant sites and all other associated documentation with Fusion Leisure Limited with a view to ensuring the transfer of the Council's leisure service to Fusion Leisure no later than 1 April 2009;
- (2) In accordance with resolution 1 above, authorise the granting of the leases and/or sub-leases referred to above under the provisions of section 20.20(c) of the Council's contract regulations, noting that the granting of such leases and/or sub-leases will be from part of the overall economic proposition set out in the report;

- (3) Authorise the Executive Director, City Services, in consultation with the Heads of Finance and Human Resources to take all such necessary steps to set up an appropriate client side structure;
- (4) Record sincere and heartfelt thanks to Tim Sadler and all the officers involved in this highly successful process for their excellent work.

170. FUTURE ITEMS

No issues were raised under this item.

171. MINUTES

Resolved to agree the minutes (previously circulated) of the meeting held on 7 January 2009.

172. MATTERS EXEMPT FROM PUBLICATION

Resolved that in accordance with the provisions of Paragraph 21(1)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 the press and public be excluded from the meeting on the grounds that their presence could involve the likely disclosure of exempt information as described in specific paragraphs of Schedule 12A of the Local Government Act 1972 and that the Board was satisfied that in all the circumstances the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

<u>Items</u>	<u>Reason for exemption</u>	<u>Minutes</u>
C1	Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings	173
C2	Information relating to the business affairs of any particular person (including the authority holding that information)	174

173. REDEVELOPMENT SUB-REGIONAL CHOICE BASED LETTINGS AND A REVISED ALLOCATIONS SCHEME

The Head of Community Housing and Community Development submitted an exempt from publication appendix (previously circulated and now appended) to the report referred to in minute 168.

Resolved to note the exempt from publication appendix.

174. LEISURE MARKET TESTING

The Strategic Director, City Services, submitted (a) an exempt from publication appendix (previously circulated and now appended) to the report referred to in minute 168, and (b) an additional exempt from publication appendix containing a summary of financial information

Resolved that, having considered the exempt from publication financial information, the Board agreed that the Fusion bid represented the best overall deal for finance and quality, for leisure staff and for developing the Council's vision for leisure improvements for the City, and confirmed the "in principle" decision made in minute 169.

The meeting began at 5.00 pm and ended at 6.00 pm.