

**MINUTES OF THE MEETING OF THE OVERVIEW & SCRUTINY COMMITTEE
HELD ON THURSDAY, 28 FEBRUARY 2019**

COUNCILLORS

PRESENT (Chair) Derek Levy, Huseyin Akpinar, Tolga Aramaz, Susan Erbil, Gina Needs, Lee David-Sanders and Joanne Laban

ABSENT

STATUTORY CO-OPTTEES: *1 vacancy (Church of England diocese representative), Mr Simon Goulden (other faiths/denominations representative), Mr Tony Murphy (Catholic diocese representative), Alicia Meniru & 1 vacancy (Parent Governor representative) - Italics Denotes absence*

OFFICERS: Peter George (Programme Director - Meridian Water), Nick Fletcher (Meridian Water Development Manager) and Fay Hammond (Interim Executive Director Resources) Susan O'Connell (Secretary) and Jane Creer (Secretary)

Also Attending: Councillor Nesil Caliskan (Leader of the Council)
Councillor Edward Smith (Call-In Lead)
Councillor Hass Yusuf (Observing)

985

WELCOME & APOLOGIES

Councillor Levy welcomed all attendees to the meeting.

The following substitution was noted: Councillor Joanne Laban for Councillor Edward Smith.

986

DECLARATIONS OF INTEREST

There were no declarations of interest.

987

CALL IN OF DECISION: MERIDIAN WORKS SITE ONE: AUTHORITY TO SIGN KEY AGREEMENTS TO ENABLE PROJECT DELIVERY

The Committee received a report from the Director of Law and Governance outlining details of a call-in received on the Portfolio decision taken on

OVERVIEW & SCRUTINY COMMITTEE - 28.2.2019

Meridian Works Site One: Authority to sign key agreements to enable project delivery (taken on 05/02/19).

NOTED that this report was considered in conjunction with the information in the part 2 agenda.

All discussion on this item took place in the part 2 section of the meeting.

988

MINUTES OF THE OSC BUDGET MEETING HELD ON 31 JANUARY 2019

AGREED the minutes of the OSC budget meeting held on 31/01/19 as a correct record.

989

DATES OF FUTURE MEETINGS

NOTED the dates of future meetings as follows:

Provisional Call-Ins

- Monday 11 March 2019 to replace Tuesday 12 March 2019
- Tuesday 26 March 2019
- Thursday 11 April 2019

Please note, the business meeting of the Overview & Scrutiny Committee will be held on:

- Wednesday 3 April 2019

990

EXCLUSION OF PRESS AND PUBLIC

Resolved in accordance with the principles of Section 100A (4) of the Local Government Act 1972 to exclude the press and public from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of the Part 1 of Schedule 12A to the Act (as amended by the Local Government (Access to Information) (Variation) Order 2006).

991

MERIDIAN WORKS SITE ONE: AUTHORITY TO SIGN KEY AGREEMENTS TO ENABLE PROJECT DELIVERY

OVERVIEW & SCRUTINY COMMITTEE - 28.2.2019

The Committee received the information provided on the call-in report: Meridian Works Site One: Authority to sign key agreements to enable project delivery.

NOTED

1. The information was considered in conjunction with the report on the part 1 agenda.
2. Councillor Smith set out the reasons for calling in the decision:
 - The principle of why Building BloQs was selected for this project was questioned, and that there had not been a proper marketing process.
 - The proposal to charge the company a lower than market rent did not comply with the Council's Property Procedure Rules. The report was not clear enough about the difference between market rent and the subsidised rent proposed; about mitigation of financial risk; or proposals regarding potential for recoup of funds.
 - There was insufficient information regarding the involvement of the Greater London Authority (GLA).
3. The response of Councillor Caliskan, Leader of the Council. She highlighted the following:
 - The Meridian Water project was about jobs and industries as well as housing. The Meridian Works One project would nurture business in that area. Working with Building BloQs would bring in makers and creative entrepreneurs.
 - The partnership terms with the GLA were agreed, and this solid relationship should give confidence to the Council.
4. Other issues highlighted by officers in support of the decision included:
 - This project was prompted by the opportunity to receive a GLA grant to boost the local economy and provide jobs.
 - As explained in the response, this was not a procurement, but was a property transaction.
 - It had been appropriate to work with Building BloQs when bidding for the funding so as to meet the grant deadline and to put forward a compelling bid.
 - The Council was supporting a local SME business by enabling its expansion at Meridian Water, and had been prudent in the structuring of the deal.
 - The company had been diligent in their approach, and the Council was reassured by the information provided by them.
 - Information was provided in respect of proposed rent to be charged as opposed to market rent.
 - Clarification was provided regarding the agreement with ACAVA. It was confirmed they were artist studio providers

OVERVIEW & SCRUTINY COMMITTEE - 28.2.2019

5. Members' questions responded to by officers, including:
 - Confirmation of legal advice, and the financial monitoring requirements throughout the process.
 - Clarification of the terms and flexibility of the proposed lease.
 - Confirmation that the capital costs for Building BloQs were largely for machinery.

6. The summing up by Councillor Smith that:
 - Concerns remained in respect of this proposal with regard to financial risk to the Council, and with the proposal to charge the company a lower than market rent.
 - Officers had advised that arrangements with ACAVA were not integral to entering the agreement with the GLA: this information had not been set out in the report.
 - A stage had been reached where there were no further options, and the trajectory of this project was not a wise one to enter into.

7. The Leader, Councillor Caliskan advised that there was still an option to stop these agreements, and she would not want members to be under the impression they had no choice.

8. Overview and Scrutiny Committee considered the reasons provided for the call-in and responses provided. Having considered the information provided, the Committee **AGREED** to confirm the original Portfolio decision.

Councillors Akpinar, Aramaz, Susan Erbil, and Needs voted in favour of the above decision. Councillors Laban and David-Sanders abstained. The original Portfolio decision was therefore agreed.

9. The comment of Councillor Tolga Aramaz that most call-ins had not resulted in decisions being referred back to the decision-maker, often with unanimous or semi-unanimous agreement of Overview and Scrutiny Committee. He was concerned that the Opposition were reducing the Committee to a method of criticising Cabinet decisions rather than a neutral body to hold decision-makers to account.