

STRATEGY AND RESOURCES SCRUTINY COMMITTEE 13 November 2017
6.30 - 10.00 pm

Present: Councillors Barnett (Chair), Baigent (Vice-Chair), Bick, Cantrill, Sarris and Sinnott

Executive Councillors for: Strategy and Transformation: Herbert and Finance and Resources: Robertson

Other Councillors Present: Dryden

Officers:

Chief Executive: Antoinette Jackson

Strategic Director: Fiona Bryant

Strategic Director: Suzanne Hemingway

Head of Legal: Tom Lewis

Head of Finance: Caroline Ryba

Project Manager: Cath Conlon

Committee Manager: Emily Watts

FOR THE INFORMATION OF THE COUNCIL

17/47/SR Apologies for Absence

No apologies were received.

17/48/SR Declarations of Interest

Name		Item	Interest
Councillors Baigent and Barnett		17/52/SR	Personal- Member of the Cambridge Cycling Campaign

17/49/SR Minutes

As the 13 November was an extraordinary meeting, the minutes from 19 October 2017 would be available for signing at the next meeting.

17/50/SR Public Questions

Members of the public asked a number of questions, as set out below.
Additional public questions recorded REF(17/52/SR)

1.(REF 17/51/SR) Richard Price, Secretary of Park Street Residents' Association raised the following points:

- i. A redevelopment of Park Street Car Park could provide a great opportunity to enhance the area by reducing traffic congestion and providing social housing.**
- ii. Research from other cities such as Oxford had shown that restricting vehicle access to the city improved foot fall of shoppers and had been beneficial for surrounding businesses.**
- iii. Agreed that option 1 within the officers report was the best of the available options because it allowed more time to consider possibilities for development.**

The Strategic Director responded:

- i. Stated that input of successful projects from other cities would be taken into account when considering the Park Street development.
- ii. A 5 year programme would allow wider transport strategies around the city to come forward which would help shape and highlight the future of the car park and the needs of the area.
- iii. Input from the wider community was welcomed and would be considered.

2.(REF 17/51/SR) Susan Stobbs raised the following points:

- i. As a local resident of the Park Street area she was concerned about the environmental impact caused by the busy car park. Asked how the Council planned to reduce pollution in the city without reducing parking.**
- ii. Requested for a reduction in pollution to remain high on the agenda throughout the proposal.**

The Executive Councillor for Strategy and Transformation responded:

- i. The Council was committed to reducing pollution in the city.
- ii. The changes made to the car park needed to be sustainable, the 5 year programme would allow the opportunity for careful consideration.
- iii. Affirmed that the view of Market ward residents would be listened to.

3.(REF 17/52/SR) Bev Nicholson raised the following points:

- i. Raised concern over the amount of parking allocated in the provisional Mill Road Depot development plan. Highlighted the central location and asked why so much parking needed to be provided. Affirmed how this development could be exemplar if it took a more environmentally sustainable approach.**
- ii. Raised concern that the new YMCA facilities would not be publicly available. Stated that the old library within the site should be publicly owned and run as a community facility.**

The Executive Councillor for Strategy and Transformation responded:

- i. High volumes of vehicular use were not expected on the Mill Road Depot site but restricting it to a car free development was not felt appropriate.
- ii. The planning application would go into more detail about parking provision.
- iii. Discussions would be undertaken with Bharat Bhavan. The Council wanted this to be a whole community discussion not just for those in the immediate area around the development.

4.(REF 17/52/SR) Kati Preston raised the following points in relation to the Mill Road Depot development:

- i. Disagreed with the decision to keep two of the report appendices confidential. Stated that this action lacked transparency when considering a publicly owned site.**
- ii. Queried whether the Council's £70 million devolution deal money would be used to cover the Council's 20% input at the beginning of this development.**
- iii. Asked whether the Mill Road development and YMCA would be freehold or leasehold and what the duration of the lease would be.**
- iv. Queried whether the new properties would include conditions of sale in order to prevent buy to let buyers.**
- v. Referred to the current YMCA site and queried how it provided 100 homes.**

The Executive Councillor for Strategy and Transformation responded:

- i. Disagreed with the comment that there was a lack of transparency and accountability within the development plans. The public consultation was open until 20 November, the feedback received would feed directly into the project.
- ii. The YMCA proposal had been a relatively new addition to the plans.
- iii. Highlighted that the £70 million devolution deal money would not be enough to fund the development alone so other sources needed to be used.

- iv. Building 100% council homes on the site was not financially viable or sustainable.
- v. The agreement for the YMCA to move opens up a new site with development opportunity at Gonville Place.
- vi. Clarified that the YMCA provided 100 bedrooms not 100 homes.
- vii. Affirmed that the lease agreement for the properties had not yet been confirmed.

Kati Preston responded with the following supplementary question:

- i. **Highlighted the input from Petersfield Area Community Trust (PACT) regarding their suggestion for the future use of Bharat Bhavan as a community facility rather than allowing it to be taken over by YMCA.**

The Executive Councillor for Strategy and Transformation responded:

- i. Confirmed that the Bharat Bhavan was owned by Cambridgeshire County Council so the City Council did not have the final say over its future use. Nonetheless, discussions about its potential would be undertaken.

17/51/SR Strategic Site Development of Park Street Car Park

Matter for Decision

In July 2016 Strategy & Resource Scrutiny Committee approved the setting up of the Cambridge Investment Partnership (CIP) as a mechanism for the Council to bring forward assets for development. The principles which govern the progression of sites with development opportunities through CIP were approved at Strategy & Resources Scrutiny Committee on 9th October 2017. Park Street Car Park site was one of the General Fund assets to be developed using these approved principles.

The CIP Investment Team had developed a strategic Project Plan for the site incorporating a clear development brief to meet the Council's key objectives in line with planning policy and the Planning Guidance Note for the site. This report outlined the alternative development options for the site, which included refurbishment and redevelopment options and explored the delivery of affordable housing on the site. Alternative options were also considered including the site's potential for commercial development.

The financial viability appraisals for the housing delivery option for affordable housing on this site demonstrated that this option was not viable without significant financial contribution from Council reserves. The net loss of the 20 affordable units, which the Council could have delivered on the site, could be provided elsewhere in the City. This was set out in section 3.5

If future development proposals were considered, a commercial development proposal which would provide basement car parking (Council retained ownership) and an above ground development (which might generate a capital receipt for the housing investment programme) might be an option. This would provide the Council with an investment stake that did not rely on prudential borrowing.

Decision of Executive Councillor for Strategy and Transformation:

- i. Noted the options proposed and explored by CIP for the redevelopment and refurbishment of Park St Car Park as set out in section 3.3
- ii. Approved the recommendation made by CIP not to progress the option to deliver housing on the Park St Car Park site as part of a redevelopment option as set out in section 3.3.3
- iii. Noted that CIP will continue to explore the opportunities for redevelopment on the site including investigating commercial options; to deliver a scheme that met the Council's Strategic Development Brief for the site and the Council's wider objectives and, should an agreed scheme be developed, that it be reported to the Strategy & Resources Committee for scrutiny and the opportunity for public input, ahead of a decision by the Leader on the CIP plan.
- iv. Approved a five year rolling programme for the refurbishment of the car park. The programme would be reviewed and implemented on an annual basis during which time CIP would explore options for redevelopment of the site to identify an option that met the Council's Strategic Development Brief and wider objectives. A report seeking approval of an option for redevelopment would be presented to a Strategy and Resources Scrutiny Committee in 2018 for a decision to proceed with a preferred option.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Strategic Director.

Members of the Committee made the following comments in response to the report:

- i. Stated that the current situation and indecision about the future of the car park appeared to be based around profit.
- ii. Referred to a report from 2015 which stated that development was feasible at a considerable lower cost. Given that recent investigation had concluded that the work was no longer feasible, the initial report must have been a waste of money. The advice from both investigations appeared to be diametrically different. Asked how much the initial studies had cost.
- iii. Stated that any new transport strategy would take years to come to fruition so it should not be the basis for the car park development proposals.

The Strategic Director said the following in response to Members' questions:

- i. The recent investigation carried out by Hill Residential sought specialist advice and was much more detailed than previous reports.
- ii. Advice from Planners dictated that all of the car park would now have to be underground which had not been factored into previous investigations. The additional work required to excavate and build underground significantly raised the cost.

The Executive Councillor for Strategy and Transformation said the following in response to Members' questions:

- i. Hill Residential had undertaken the most recent investigation within the parameters requested and confirmed that the development was not feasible.
- ii. Affirmed the Council's commitment to exploring development options for Park Street Car Park but not into social housing. The five-year plan allowed the opportunity to see how transport reforms across the city unfolded which would highlight the future requirement for car parking in the city centre.

Councillor Bick formally proposed the following amendment to the Officer's recommendation:

Deleted wording ~~struck through~~ and additional wording underlined:

- i. Noted the options proposed and explored by CIP for the redevelopment and refurbishment of Park St Car Park as set out in section 3.3
- ii. ~~Approved the recommendation made by CIP not to progress the option to deliver housing on the Park St Car Park site as part of a redevelopment option as set out in section 3.3.3~~
- iii. ~~Noted that CIP will continue to explore the opportunities for redevelopment on the site including investigating commercial options; to deliver a scheme that met the Council's Strategic Development Brief for the site and the Council's wider objectives and, should an agreed scheme be developed, that it be reported to the Strategy & Resources Committee for scrutiny and the opportunity for public input, ahead of a decision by the Leader on the CIP plan.~~
- ii. Request further options to be prepared for a mixed redevelopment of the site for housing and underground parking, revisiting the original parameters in the development brief - in particular envisaging fewer car parking spaces; evaluating investment in the car parking provision against the return in car parking income rather than in relation to a subsidy from the housing; and considering alternative development vehicles as options alongside the CIP.
- iii. Approved a five year rolling programme for the refurbishment of the car park. The programme would be reviewed and implemented on an annual basis during which time ~~CIP~~ the Council would explore options for redevelopment of the site to identify an option that met the Council's Strategic Development Brief, revised as necessary, and wider objectives. A report seeking approval of an option for redevelopment would be presented to a Strategy and Resources Scrutiny Committee in 2018 for a decision to proceed with a preferred option.

In moving their amendment Councillors Bick and Cantrill commented:

- i. The amendment was based upon the feasibility statement. The redevelopment brief and parameters of the specification should be revised to take a more flexible approach.
- ii. The business element of the car park should be considered on its own, the housing aspect should not subsidise it.
- iii. Suggested that options for development should be open to other avenues rather than just the CIP. The revision of wording puts the power back with the Council.
- iv. Agreed that until a final development decision had been made the car park was in need of refurbishment to be fit for use.
- v. Raised concern about CIP, as a commercial developer because its interests were different to that of a Local Authority. If there was little to gain economically from the Park Street development they would not

view it as viable, the social benefits to the area would not be considered.

- vi. Stated that the estimation of each unit costing £1million assumed no financial return from the car park as a business.

In response to the amendment Councillors said the following:

- i. Opposition councillors should have distributed the proposed amendment earlier to allow for more thorough consideration.
- ii. Stated that the new wording constrained flexibility.
- iii. Suggested that the comments from opposition councillors had been unreasonably critical toward the Hill Residential for undertaking the detailed costing's especially when they had incurred the cost rather than passing it on to the Council. When looking at the bigger picture, lots of factors needed to be considered, Hill Residential had the expertise to undertake that assessment.
- iv. Confirmed that the CIP was accountable to Council.
- v. CIP's commercial awareness and expertise had been beneficial when assessing the Park Street site because they were able to highlight previously unseen weaknesses. Financial viability was crucial in order for successful delivery.
- vi. The Council had a limited time to spend the devolved £70million on council housing so it needed to be invested in site which could achieve results quickly otherwise the money would be lost.

The Committee rejected the amendment to the recommendation by 4 votes to 2.

The Committee resolved by 4 votes to 0 to endorse the recommendations.

The Executive Councillor approved the recommendations.

Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)

No conflicts of interest were declared by the Executive Councillor.

17/52/SR Strategic Site Development of Mill Road Depot

Public Question

Members of the public asked a number of questions, as set out below. Additional public questions recorded REF(17/50/SR)

1. Martin Lucas-Smith raised the following points:

- i. Raised concern regarding the high level of car parking on site. The area was well connected by local transport.
- ii. Recognised that some residents would need the use of a car but the allocation was too high. A survey undertaken on 11 streets in the local area estimated that only 0.5 cars per dwelling were needed.
- iii. Stated that parking added an estimated £15k to the cost of housing.
- iv. Requested that the recommendation was amended to include
 - Publishing a survey that highlighted the level of parking actually used in the area.
 - Provide the same level of parking that was currently provided in the surrounding area.

The Executive Councillor for Strategy and Transformation responded:

- i. Confirmed that the number of parking spaces had already been reduced. He was happy for the results of the parking assessment to be shared.

Martin Lucas-Smith raised the following points as a supplementary question:

- i. Agreed the need to provide disabled, visitor and car club spaces.
- ii. Queried why he had not received a response regarding the price of providing parking or on his proposed amendments.

The Executive Councillor for Strategy and Transformation responded:

- i. Stated that the evidence base would form part of the planning application.
- ii. Disagreed that residents should be denied the right to park.
- iii. Confirmed that the comments were welcomed and would be considered.

2. John Preston raised the following points:

- i. Asked whether the full planning application would consider the whole depot site inclusive of access, the YMCA and former library building.
- ii. Special regard needed to be taken to the library because of its listed status. Queried whether Historic England had been contacted regarding the library.
- iii. Asked why the library had been neglected from the proposals so far.
- iv. Stated that it would be prudent to postpone the planning application until a transport assessment had been carried out,

access issued had been looked at and YMCA proposals had been fully considered.

The Executive Councillor for Strategy and Transformation responded:

- i. Agreed that the interaction with the library needed to be considered and Historic England would be contacted.
- ii. A transport assessment would be undertaken to look at the junctions and how to minimise impact.
- iii. The planning application for the majority of the site was due to be submitted in December. The YMCA would have a separate planning application.
- iv. Confirmed that he was happy to respond to other questions in writing.

John Preston raised the following points as a supplementary question:

- i. **Stated that at every stage of the consultation process so far he had felt the need to request further information about access arrangements to the site rather than it being readily available.**

The Executive Councillor for Strategy and Transformation responded:

- i. Highlighted that the site had been used by vehicles for the last 100 years.
- ii. Other permeable factors needed to be considered such as the impact of the Chisholm Trail, which ran through parts of the site.

3. John Franks, Chair of Petersfield Area Community Trust (PACT) raised the following points:

- i. **PACT sought a charitable objective and raised concern about how the proposals were going to be incorporated with the wider existing community.**
- ii. **Queried accesses to the site, the proposals were unclear and needed to be integrated with the surrounding area more effectively.**
- iii. **The provision of green space appeared fragmented which limited the usable open space.**
- iv. **PACT had received information that the community space would be developed in conjunction with YMCA, however, early indicators suggested that community use would be limited.**
- v. **Requested that community facility funding should not go to the YMCA owned buildings, it needed to provide dedicated community provision.**

The Strategic Director responded:

- i. Confirmed that the Chisholm Trail provided north to south access of the site.
- ii. Referred to section 3.2.4 of the Supplementary Planning Document (SPD) which outlined how the green space was designed to accommodate four different activities. There was also an S106 requirement to accommodate for the needs of the wider community.
- iii. Welcomed the contribution made by PACT and encouraged a broader discussion on provision and how this could be provided.

4. Jannie Brightman raised the following points:

- i. **Requested more clarity within the development. There appeared to be lots of overlapping area which impact one another between the SPD, consultations, committee meetings and planning applications. Many new stages were starting before others had been completed which meant that the situation had become confusing.**
- ii. **Referenced the YMCA and asked how land could be transferred to CIP if they did not know what would be on it yet without receiving a detailed plan first.**
- iii. **Queried what commitment had been made to the YMCA.**

The Executive Councillor for Strategy and Transformation responded:

- i. The YMCA had provided lots of information and had committed to providing community space.
- ii. No firm proposals had been received for the Gate House.
- iii. The YMCA would not be included in the first planning application because the proposals had only recently been submitted. The Council did not want to rush the detail; it needed careful consideration to be beneficial in delivering on wider objectives for both parties.

Jannie Brightman raised the following points as a supplementary question:

- i. **Stated that the decision to include the YMCA appeared to be a done deal. Many other suggestions had been submitted throughout this project but none had been considered as thoroughly as this one.**
- ii. **Petersfield has been crying out for more community facilities, asked if they could hope to receive some which were run by the Council.**

The Executive Councillor for Strategy and Transformation stated that it had not yet been agreed who would run and own the facilities provided.

The Strategic Director responded:

- i. Confirmed that the agreement in place saw CIP proposals go before the Board before they came to committee. The YMCA proposals would include a lot more detail.
- ii. They intended to preserve the old library so discussion with the County Council was needed.
- iii. Clarified that the project plan wasn't conditional to the consultation on 2 November but was based upon the indicative project plan.
- iv. The consultation was open until 20 November; so far 70 responses had been received.

5. Stephen Hewitt raised the following points:

- i. **Asked what price the Council would achieve when it transferred the Mill Road Depot land into the CIP.**
- ii. **Queried if the amount received was best value.**
- iii. **Sought clarification whether the transferred land would be freehold or leasehold.**

The Strategic Director responded:

- i. Confirmed that an independent valuation had been undertaken to establish the current value of the land. The amount was estimated at £11million.
- ii. The land would be leasehold. If issues arose there was a break clause in the lease.

Matter for Decision

The principles which govern the progression of sites with development opportunities through CIP were approved at Strategy & Resources Scrutiny Committee on 9th October 2017. Mill Road Depot was the first General Fund asset to be developed using these approved principles.

The CIP Investment Team had developed a strategic Project Plan for the site incorporating a clear development brief to meet the Council's key objectives following public consultation and in line with planning policy and the supplementary planning document for the site agreed in March 2017. CIP Board approved this Project Plan on 3rd November 2017.

In accordance with the principles set out and the CIP Board approval of the Project Plan, this report outlined the key elements of the Plan, including a summary investment plan, and identified alternative options considered to inform the agreed strategic objectives. The paper made recommendations for transfer of the site to CIP for the Investment Partnership to take the site

forward for development as part of an overall programme to deliver the 500 new Council homes.

Decision of Executive Councillor for Strategy and Transformation

- i. Approved the transfer of the land known as Mill Road Depot, shown edged red on the attached plan in Appendix 1, to Cambridge Investment Partnership (CIP) for redevelopment in accordance with the approved Supplementary Planning Document. This transfer would be at a value provided by an independent valuer, which had been approved by CIP Board as detailed in the Project Plan.
- ii. Noted that, following transfer of the land, there would be two planning applications submitted by CIP to develop the land for housing and the YMCA in accordance with the Council's strategic and corporate objectives and with the output from the public consultation and pre application planning process.
- iii. Noted also that the proposed commercial in confidence investment plan for the project in Appendix 5 would be confirmed subject to the outcomes of the public consultation on 2 November and the determination of the CIP's planning applications. The relevant investment requirements would be subject to the appropriate Council investment decisions.
- iv. Approved further work on the provision and management of community facilities in discussion with the local community, local councillors and the YMCA.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Strategic Director.

The Committee made the following comments in response to the report:

- i. Referred to the first recommendation and asked what written agreement was in place between Cambridge City Council, CIP and YMCA.
- ii. Queried whether the Council should wait until a proper agreement with the YMCA was in place before transferring the land given that it was a key part of the package.
- iii. Asked how the financial relationship with the YMCA been agreed.

- iv. Asked who was undertaking the negotiation within the tripartite relationship.

The Strategic Director said the following in response to Members' questions:

- i. The Council had received a commitment from YMCA. A draft Memorandum of Understanding (MoU) had committed the YMCA and CIP to work together for the relocation. Once an agreement had been concluded a contract would follow.
- ii. The relocation of the YMCA was a recent proposal. If the whole development waited until an agreement was reached with the YMCA it would delay the whole project significantly. In order to make progress the first application would cover the wider site and the YMCA would follow.
- iii. Confirmed that the financial relationship was based on best estimates at this stage.
- iv. Highlighted that it was inappropriate to transfer the land in two separate transactions to accommodate the YMCA agreement. The MoU ensured the best outcome from all parties and a break clause gave assurances.
- v. Affirmed that the negotiation was undertaken on a tripartite basis between the City Council, YMCA and Hill Residential, the City Council's planning department were offering advice.

Councillor Baigent referred to the concern raised by the public speakers regarding community facilities and suggested an amendment to the recommendations.

Councillor Baigent proposed an additional recommendation as an amendment to the Officer's recommendation:

- Approved further work on the provision and management of community facilities in discussion with the local community, local councillors and the YMCA.

The Committee **unanimously** approved the additional recommendation.

Councillor Cantrill proposed the following amendment to the Officer's recommendation:

Deleted wording ~~struck through~~, additional wording underlined:

- ~~ii. Noted that, following transfer of the land, there would be two planning applications submitted by CIP to develop the land for housing and the YMCA in accordance with the Council's strategic and corporate~~

~~objectives and with the output from the public consultation and pre application planning process.~~

- ii. The transfer of the land would be subject to the following conditions:
 - a) That the level of social housing on the site would be no less than 59% of the total number of homes (currently 187)
 - b) That the Council would receive a rate of interest (on a combination of current and rolled up basis) on the value of the instrument issued in relation to the transfer of the land into the CIP
 - c) That the provision of community facilities would be managed on a joint basis between the Council (and/or an appropriate residents forum from the development) and the YMCA (in a joint venture vehicle)
 - d) That the social housing, when acquired by the HRA, following the development of the site, would be rented on a Local Authority Rent basis
 - e) That the Council commits to acquire a further 20% (37 units of the market homes) through the Cambridge Housing Company, that it would rent on a Local Living Rent basis (ie one third of income of the household)

To the extent that one or a number of the conditions a) to c) were not satisfied then the Council would have the option to trigger the right for the land to revert back to the Council

Councillor Cantrill requested that part C of the amendment be voted on separately. The Committee **rejected** part C of the additional recommendation by 4 votes to 2.

The Committee **rejected** the remainder of the amendment by 4 votes to 2.

Opposition Councillors made the following comments in response to the amendments:

- i. Stated that although parts of both amendments were similar in terms of the focus on community facilities the Liberal Democrat amendment was broader overall.
- ii. They wanted guarantees that the joint venture with the CIP would ensure the interests of both parties. A mechanism needed to be in place which enabled the Council to retrieve the land if the promised features were not delivered.
- iii. Asserted that Councillor Baigent's amendment was too vague. Joint venture management regarding the community facilities required clearly defined aims and objectives to negotiate effectively.
- iv. Stated the belief that the Council should receive a return on the land.

The Strategic Director said the following in response to Members' questions:

- i. The initial brief for the site was for a minimum of 40% social rented housing, this has been exceeded already. If the number was increased to 59% the project funding gap would put significant pressure on the Council.
- ii. To change the levels of social rented housing on the site could have significant implications for the CIP agreement.

The Committee agreed that in order to discuss the detail and financial implications of Councillor Cantrill's amendment the meeting would have to exclude the press and public.

The Scrutiny Committee **resolved** to exclude members of the public from the meeting on the grounds that, if they were present, there would be disclosure to them of information defined as exempt from publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Members of the public were excluded at 21:15

Members of the public were readmitted at 21:50

Councillor Bick referred to the future purchase of housing on the site and suggested an amendment to the recommendations.

Councillor Bick proposed the following amendment to the Officer's recommendation:

- v. Agreed to investigate a potential future purchase of market homes on this site for letting at Local Living Rent

The Committee **rejected** the amendment by 4 votes to 2.

The Committee **resolved** by 4 votes to 2 to endorse the officer recommendations.

The Executive Councillor approved the recommendations as amended.

Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)

No conflicts of interest were declared by the Executive Councillor.

The meeting ended at 10.00 pm

CHAIR