

EXECUTIVE, RESOURCES AND CONTRACTS POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Minutes of the meeting held at 7.00 pm on 16 July 2024

Present:

Councillor Simon Fawthrop (Chairman)
Councillor Shaun Slator (Vice-Chairman)
Councillors Mark Brock, David Cartwright QFSM,
Robert Evans, Kira Gabbert, Adam Jude Grant, Alisa Igoe,
Julie Ireland, Simon Jeal, Ruth McGregor, Alexa Michael,
Tony Owen, Mark Smith and Melanie Stevens

Also Present:

Councillor Christopher Marlow and Colin Smith, Leader of the Council
(attended virtually)

25 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies were received from Councillor Michael Tickner and Councillor Jeremy Adams. Councillor Robert Evans and Councillor Alisa Igoe attended as their respective substitutes.

26 DECLARATIONS OF INTEREST

There were no additional declarations of interest.

27 QUESTIONS FROM COUNCILLORS AND MEMBERS OF THE PUBLIC ATTENDING THE MEETING

No questions were received.

28 PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS

The Committee considered the following report on the Part 1 agenda for the special meeting of the Executive on 18 July 2024.

A BROMLEY CIVIC CENTRE - FREEHOLD DISPOSAL Report HPR2024/033

The report sought authorisation to select a preferred purchaser of the Bromley Civic Centre site for which the Local Authority was the freeholder. The site extended to approximately 6.47 acres (2.73 hectares) and comprised Bromley Civic Centre, which was predominantly made up of six main buildings, Bromley Palace and associated car parking. The site excluded Bromley Palace Park which would be maintained under Council ownership. Marketing of the freehold interest of the Bromley Civic Centre site had been authorised

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by the Council's Executive at its meeting on 30 November 2022 with the outcome of the marketing exercise to be reported to the Council's Executive once concluded.

In opening the discussion, Members raised concerns about the lack of transparency within the report, questioning why so little information had been included in Part 1 (Public). It was highlighted that previous Part 1 reports concerning property disposals had included details such as the number of bidders and risk assessments that had been undertaken. It was also noted that no detail had been provided in the Part 1 report concerning the alternative options that had been considered for the site. Members challenged why the decision could not have waited until the Committee's next ordinary meeting in September 2024, and were told that there were different completion dates for some of the offers and not all completions could have waited until September 2024.

A Member observed that a detailed cost/benefit analysis of some of the key options available to the Council had been omitted from the report. Options included the proposals presented to the Committee, delaying any sale to enable market conditions to improve and refurbishing the old Civic Centre to enable it to be used for temporary accommodation.

Another Member suggested that now was not the best time to sell the site as interest rates were high and the market was suppressed. The Committee challenged whether best consideration had been received and whether it justified the rushed sale. Members stressed the need to be certain that all potential uses for the site had been considered and all potential offers received. A Member suggested that any decision should be delayed giving Officers time to complete a more thorough analysis.

A Member highlighted that government grants for refurbishment of buildings for the provision of temporary accommodation were available. The Council currently had significant cost pressures in temporary accommodation and the site could be used to mitigate against these increasing pressures. The Committee requested that details of the grants investigated for the refurbishment of the Grade II listed Palace Building be provided to Members following the meeting.

The Committee discussed the issue of any business rates that would be payable on the site. The Director of Finance advised that if Members chose to delay any sale, business rate liability on the site would be £1m per annum and these costs would need to be factored into the decision-making process. It was noted that it was a complex site, particularly in relation to the Grade II listed building. The proposals before the Committee would deliver housing on the site, some of which would be affordable housing for which the Council would retain nomination rights, and this would go some way to ease the pressure on temporary accommodation. In response to a question concerning whether the risk of business rates could be mitigated through the provision of temporary accommodation, Members were advised that any temporary

accommodation units would need to be self-contained accommodation which would place a higher cost on refurbishment. It was highlighted that the Council's Regeneration Team had looked closely at the options and the viability of delivering temporary accommodation had been considered.

A Member expressed concern that only full demolition of the Civic Centre site (excepting old palace) had been costed and options for conversion/ retention of some buildings, as suggested in the mixed-use proposals from the bidder, did not appear to have been assessed as a potentially quicker and more cost-effective alternative. The Member expressed further concerns around the lack of ability for the Committee to adequately scrutinise comments from the Regeneration Team around the figures and analysis of housing options, the value and amount of affordable housing that could be guaranteed (given risks from viability assessments in relying only on the planning process) and comparisons over temporary accommodation savings costs and potential GLA/Government grant options, due to no representative from the team being present at the meeting.

A Member suggested that consideration should be given to the Council dividing the site and developing a scheme that would demonstrate what could be achieved with the site as, if the Council were able to secure planning permission for a scheme, it may further maximise returns. The Chairman asked that the timeframe and cost of the Council developing its own plans be provided to Members following the meeting. On a related note, a Member suggested that any issues around planning for the complex site should have been reflected in the report to enable Members to take an informed decision.

Members of the Committee suggested that a further issue for consideration was the use of Live-In Guardians and asked that further details be provided if this had formed part of the consideration.

Another Member expressed concern that there was a risk of rushing a decision. A decision of this nature could result in the site being sold to a developer who could leave this site in the centre of Bromley derelict until such time as economic conditions and the market improved.

In summary, the Committee noted that the key issues requiring response from Officers prior to the Executive considering its decision on 18th July 2024 were:

- Cost benefit analysis with comparison between the preferred bid and other options, including delaying the sale or utilising the site for housing.
- Risk assessment considerations in favour of disposal at this point in time, and the associated costs, benefits and risks with regards to inflation/interest rates, securing planning permission and other options that could affect the value of the site.
- Details of alternative options that were considered and rejected e.g., use as temporary accommodation – newbuild and refurbished.

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- Business case for each of the options to include doing nothing, the Council developing its own options and selling now.
- More comprehensive analysis of why the sale should take place now.
- Why the Council had rejected using the land for its own housing supply.
- How long it would take for the Council to develop its own plans, including how much it would cost.
- Whether the Regeneration Team had looked at any grants for the refurbishment of the Old Palace
- Whether business rates be mitigated by providing temporary accommodation.
- Cost mitigation options available to reduce business rate liability e.g. property guardians, exemption for listed buildings for the Civic Centre site
- When had it been decided that the previous planning application for refurbishment of the site was not a viable option?

Councillor Simon Jeal proposed that the Executive should be recommended to defer any decision to September 2024 or a Special meeting later in the Summer to enable information to be gathered to facilitate an informed decision by Members. The motion was seconded by Councillor Ruth McGregor, put to the vote and LOST.

The Chairman, Councillor Simon Fawthrop, proposed that before agreeing the recommendations outlined in both the Part 1 (Public) and Part 2 (Exempt) reports, the Executive should consider the issues raised by the Executive, Resources and Contracts PDS Committee in both Part 1 and Part 2 and the response from Officers. The motion was seconded by Councillor Mark Brock, put to the vote and CARRIED.

RESOLVED: That before agreeing the recommendations outlined in both the Part 1 and Part 2 reports, the Executive should consider the issues raised by the Executive, Resources and Contracts PDS Committee in both Part 1 and Part 2 and the response from Officers.

29 LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006, AND THE FREEDOM OF INFORMATION ACT 2000

RESOLVED that the Press and public be excluded during consideration of the items of business referred to below as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the Press and public were present there would be disclosure to them of exempt information.

The following summaries refer to matters involving exempt information

30 PRE-DECISION SCRUTINY OF EXEMPT EXECUTIVE REPORTS

The Committee considered the following report on the Part 2 agenda for the special meeting of the Executive on 18 July 2024:

A PART 2: BROMLEY CIVIC CENTRE - FREEHOLD DISPOSAL

The Part 2 (Exempt) report sought authorisation to select a preferred purchaser of the Bromley Civic Centre site for which the Local Authority was the freeholder. The Committee considered the report and made a recommendation to the Executive which is reflected in the Part 1 minute above.

The Meeting ended at 9.10 pm

Chairman