

CHELMSFORD CITY COUNCIL
MINUTES OF THE MEETING OF THE COUNCIL
held on 20 March 2024 at 7pm

PRESENT:

The Mayor, L A. Mascot
The Deputy Mayor, J A. Deakin

Councillors C Adutwim, J Armstrong, N, Bugbee, D Clark, H Clark, P Clark, P Davey, A E Davidson, C K Davidson, S Davis, S Dobson, N A Dudley, D Eley, K Franks, L Foster, J A Frasca, I D Fuller, M C Goldman, S M Goldman, S Hall, J Hawkins, R J Hyland, B Knight, J Lardge, R J Lee, L Mascot, B. Massey, R J Moore, M O'Brien, V Pappa, G H J Pooley, J A Potter, S Rajesh, J M C Raven, S J Robinson, E Sampson, S J Scott, T Sherlock, M Sismey, A B Sosin, J E Sosin, M S Steel, S Sullivan, A Thompson, A G Thorpe-Apps, C Tron, N M Walsh, R T Whitehead and S Young

1. Apologies for Absence

Apologies for absence had been received from Councillors Canning, Chambers, Grundy, Jeapes, John and Wilson.

2. Declarations of Interest

Members were reminded to declare at the appropriate time any interests that should be disclosed in the business on the meeting's agenda. Cllr Pooley declared a non-registrable interest for Item 4, due to living near the site being discussed.

3. Minutes

The minutes of the meeting held on 21 February 2024 were confirmed as a correct record.

Exclusion of the Public

RESOLVED that the public be excluded from the meeting during the consideration of Item 4 on the agenda as it contained exempt information within Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

4. Chelmer Waterside Development

Public interest statement: It is not in the public interest to release details of this report at present, on the grounds that the report contains information that is commercially sensitive and to place the information in the public realm will be detrimental to the negotiations to be undertaken by the Council.

The Council received a report asking them to consider the alternative delivery options for the development of Chelmer Waterside. The Council received a presentation from the Corporate Property Services Manager, which outlined a brief recent history of the project, the details of the selected developer, the potential methods of sale, which included a Direct Property Sale, a Joint Venture or a Development agreement alongside the key considerations that needed to be taken into account. These included Control, Place Making, Affordable Housing, Financial Risk, Potential Cost to the Council, Benefits and Regeneration.

The Cabinet Member for a Fairer Chelmsford, followed on from the officer presentation and presented the report to Council. They stated that they wanted to complete the development and create a successful development in the City. They informed Council, that a Joint Venture had originally been seen as the best route of sale, but that having considered the alternatives, a Development agreement, was now seen as the best option. The Council heard that this was to ensure that the Council was exposed to less financial risk in comparison to a Joint Venture sale. The Cabinet Member acknowledged the risks involved, as would be expected with any major property development, but stated that they felt this was the best option and would provide the most benefit for the City. They also stated that a phased development path would be used, meaning that problems could be anticipated at the right time.

The Leader of the Conservative Group introduced an amendment to the recommendation which had been submitted in advance and had been accepted as a valid amendment. The amendment sought to add the following wording to the end of the recommendation, *“subject to final Council agreement after receiving new independent valuations of the three sites which comprise the Waterside development and full details of the proposed developer’s current financial situation and ability to fund the entire development.”* In introducing the amendment, they stated that the selection process that had been carried out, had been for a Joint Venture agreement and they did not feel that the Council had actually tendered for a Development agreement and therefore felt that the market should be consulted for interest on the now preferred Development agreement method of sale and they raised the matter as a point of order as they felt any decision would be unconstitutional.

The Council’s Corporate Property Services Manager, stated that the Council had not tendered separately for a Development agreement but had openly marketed the sites. It was also noted that once the preferred developer had been identified the Council had reviewed the position and then asked the preferred developer to consider a Development agreement instead.

The Leader of the Conservative Group also stated that they had concerns a decision on the matter would be open to legal challenge and also felt that much more substantial information was required on the values of the land included and of the financial stability of the preferred developer. They also stated that there had been a general lack of information provided and that was why they had proposed an amendment and they also stated that a direct sale was their group’s preferred method of sale.

In response to the point of order raised, the Council’s Monitoring Officer stated that they were not in a position to provide legal advice on the matter. They did clarify

however that the decision being proposed, was for an agreement in principle and not a final decision and that therefore any issues could still be looked at, along with further due diligence before a final decision was actioned.

Other members of the Council spoke in support of the amendment, stating that further information was required, especially on the viability of the developer, the difference between the December valuation and the offers now received, concerns about the net cost of the development to the Council and that the report was not complete and ready for an important decision to be taken on. Other members spoke against the amendment stating that there were other risks to be considered, rather than just financial ones and that the preferred route of sale would help the Council to minimise those risks and to allow greater control as landowner over the quality of the development that would be built. They also acknowledged that a decision was needed quickly due to the grant from Homes England that could potentially be taken back and the Leader of the Council offered to meet with the Leader of the Opposition and the Cabinet Member before a final decision was taken.

On being put to a vote the amendment was lost and the debate returned to the substantive motion.

The substantive motion was debated, with views shared that the preferred method of sale was not the most beneficial for the Council, concerns about the valuations provided, concerns that the smaller opposition group had not been invited to a meeting, conflicts of interest when it came to planning applications, concerns of the developers being able to influence the planning process too greatly, that the Council would suffer financially from the development and that a decision could be unconstitutional. The Leader of the Opposition agreed to meet with the Leader of the Council, but reiterated their view that a direct sale would be a better route, would generate quicker income for the Council and that the sites should go back out to tender.

The Leader of the Council and the Cabinet Member stated that the preferred option was the best one going forward for the Council and that selling the land without planning permission would lead to a lower valuation than could be achieved. They also stated that it was not easy to make profits on a Brownfield Site but that the preferred option would ensure crucial affordable housing as part of the development. The Council also heard that £13m of funding could be taken back by Government and that members of the Council should support the recommendation as it provided the best option to develop the land in question.

On being put to a vote, a recorded vote was requested by ten members of the Council, which is detailed below.

For the motion: Cllrs Aduwim, Bugbee, D Clark, H Clark, Davey, A Davidson, C Davidson, Dudley, Eley, Franks, Foster, Frasca, Fuller, M Goldman, S Goldman, Hall, Hawkins, Lardge, Lee, Moore, Pooley, Rajesh, Robinson, Sampson, Sherlock, A Sosin, J Sosin, Thompson, Tron, Walsh and Young.

Against the motion: Cllrs Armstrong, P Clark, Davis, Dobson, Hyland, Knight, Massey, O'Brien, Pappa, Potter, Raven, Scott, Sismey, Steel, Sullivan, Thorpe-Apps, Whitehead.

Abstained: Cllrs Deakin and Mascot.

RESOLVED that the Director of Public Places after consultation with the Cabinet Member for Fairer Chelmsford pursuant to para 3.4.5.46 of the Constitution be authorised to consider, negotiate, and agree terms for the disposal of property interests on the basis described in the report.

The meeting closed at 8.18pm

Mayor