



Report of the Head of the East Project Office, Regeneration Service

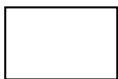
Corporate Governance and Audit Committee

Date: 21st January 2009

Subject: EASEL Decisions Update

Electoral Wards Affected:

Killingbeck and Seacroft,
Temple Newsham,
Burmantofts and Richmond Hill,
Gipton and Harehills



Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Executive Summary

1. This report updates the Committee on decision making in connection with the joint venture company (JVCo) the council will enter into with Bellway to deliver development in the East and South East Leeds (EASEL) area. The report concludes that while the company will be free to make its decisions, the council retains the opportunity for all key decisions to be subject to the council's constitutional decision making arrangements.

2. Appendices 7 & 8 to Appendix A have been marked exempt under the terms of Access to Information Procedure Rule 10.4(3) and on the grounds that the information contained in the appendices relates to the financial or business affairs of Bellway Homes Ltd, Bellway PLC, and the council. This information is not publicly available from the statutory registers of information kept in respect of certain companies and charities. It is considered that it is not in the public interest to disclose this information at this point in time as this could prejudice the commercial interests of the parties to the Shareholders Agreement. In particular, if Bellway or the Council wished to negotiate terms with other potential developers of a phase or part of a phase, those developers might gain an advantage in those negotiations by knowing the full commercial terms agreed in respect of exclusivity, competition and incentivisation, and how costs are met in respect of the phase approval process. It is considered that whilst there may be a public interest in disclosure, the council's statutory obligations under section 123 of the Local Government Act 1972, and under section 32 of the Housing Act 1985 and the General Housing Consents 2005 to achieve the best consideration that can reasonably be obtained are unaffected by these arrangements, and indeed the phase approval process provides for this to be demonstrated at the initial stage of the process. In addition, much information about the terms of particular land transactions between the parties will be publicly available from the Land Registry following completion and registration. Consequently it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing this information at this point in time.

1.0 Purpose Of This Report

- 1.1 The report introduces the decision making arrangements for the EASEL JVCo which were approved by the Executive Board on 5th November 2008. That report gives details of the contractual obligations for decision making included in the JVCo contract and the resultant approvals and delegations agreed by Executive Board, and is attached at Appendix A.

2.0 Background Information

- 2.1 In April 2008 the Corporate Governance and Audit Committee considered a report on the governance arrangements for the EASEL regeneration project. In particular they resolved to recommend to the Executive Board that, in signing the management agreement for the EASEL project, they seek greater clarity from officers regarding which decisions will no longer be subject to the council's constitutional arrangements, and what alternative arrangements will be in place to ensure that decisions are taken in an informed, transparent way which is open to the scrutiny of the public and Members.
- 2.2 In the November 2008 report to Executive Board on EASEL (attached at Appendix A) Members will see that section 9 of that report introduced and explained the related issues.

3.0 Main Issues

- 3.1 Members are asked to consider the treatment of decision making for the EASEL Joint Venture Partnership as set out in the report presented to Executive Board in November 2008.
- 3.2 Appendix 3 to the attached report sets out the types of decisions which will need to be made during the life of the JVCo. The delegations sought through this appendix follow the constitutional scheme of officer delegations.
- 3.3 The decisions involved are chiefly about how: the local neighbourhood masterplans are developed effectively with local communities; the development potential for sites in EASEL is managed and approved; how land sales and development agreements are approved and managed; how investment in the EASEL area is approved and delivered; and how JVCo decisions are examined and approved.
- 3.4 The Committee was concerned about decisions which would no longer be subject to the council's constitutional arrangements. As the attached report illustrates, there are considered to be no substantive decisions which will not be subject to the council's constitutional arrangements.

4.0 Implications For Council Policy And Governance

- 4.1 Members are asked to endorse a proposal that the decision making arrangements for the EASEL JVCo are considered for inclusion in the council's constitution.

5.0 Legal And Resource Implications

- 5.1 There are no direct legal or resource implications identified in this report.

6.0 Conclusions

- 6.1 This report concludes that decisions required to allow the EASEL JVCo to operate are still subject to the council's constitutional decision making rules.

7.0 Recommendations

- 7.1 That the Committee consider the arrangements which were approved by Executive Board with regards to the governance arrangements for the EASEL Joint Venture Company.

Background Papers

Report to Corporate Governance and Audit Committee April 2008 "Governance arrangements for the EASEL regeneration project".

Report to Executive Board November 2008 "EASEL Joint Venture Partnership" (Appendices 7 and 8 to this report are exempt/confidential under Access to Information Procedure Rule 10.4.3 as stated in the report).