

**BRISTOL CITY COUNCIL**

**AUDIT COMMITTEE**

**9 NOVEMBER 2012**

**Report of:** Strategic Director, Corporate Services

**Title:** Role of Executive Members and Officers in Property Projects

**Ward:** N/A

**Officer Presenting Report:** Information Report: Jan Reichel, Principal  
Project Officer

**Contact Telephone Number:** 0117 922 4032

**RECOMMENDATION**

That the Committee notes the proposed Protocol.

**Summary**

The report sets out a response to Grant Thornton's recommendation for a new developer selection policy to include protocols for decision making responsibilities at each stage of the process.

**The significant issues in the report are:**

A proposed Protocol for Executive Member/officer involvement in Property Projects.

## **Policy**

1. The Council commissioned an independent review of the practices and procedures for awarding development opportunities. The Council is committed to improving its governance and communications arrangements for securing preferred developers.

## **Consultation**

### **2. Internal**

Service Director, Strategic Housing

Service Director, Planning and Sustainable Development

Strategic Director, Neighbourhoods and City Development

Head of Legal Services

Strategic Leadership Team 24 January 2012

Housing, Property Services and Regeneration Executive Informal Briefing – 14 March 2012

Informal Cabinet briefing 14 June 2012

### **3. External**

N/A

## **Context**

4. A report dealing with the developer selection process was submitted by Grant Thornton to this Committee on 29 June 2012. It set out a series of recommendations that would increase transparency in property projects and developer selections in the future, and included reference to a new policy in preparation.
5. Prior to the 29 June report The Executive Member and the Strategic Director for Neighbourhoods and City Developments requested a protocol to set out Executive Member involvement in the council's property led development projects. This was to include
  - 1 Developer's brief – where does the Executive Member have input and comment on the brief
  - 2 Selection criteria/weighting – where does the Executive Member have the ability to comment on these before they are applied to any submissions from potential developers.
  - 3 The formal decision to select the preferred developer.
6. Following the request a protocol was drafted. It was then discussed with the relevant Service Directors and passed to the Head of Legal Services.

The draft was then taken to Strategic Leadership Team and after revision onto an informal briefing of the Executive Member for Housing, Property Services and Regeneration. After further consideration with Service Directors informal Cabinet was briefed on 14 June.

## **Proposal**

7. The attached chart (Appendix 1) puts forward a proposal for the stages in a land sale and development/regeneration project where Executive Member involvement is required and/or anticipated in the decision making process. Reference to informal cabinet can be undertaken as considered necessary during the process. The protocol relates to the Council's responsibilities and duties as landowner.
8. The protocol will be signed off by Strategic Director for Neighbourhoods & City Development or Corporate Services. This will then be adopted as new policy in developer selection.

## **Other Options Considered**

9. None necessary

## **Risk Assessment**

10. The Protocol sets out the Executive Member and officer roles in the property project process. This seeks to ensure Member comment is embedded in the decision process while providing guidance on where this is required. This process seeks to comply with Grant Thornton's recommendation and reduce the risk to the Council of challenge to its decisions.

## **Equalities Impact Assessment**

11. None required for this report.

## **Legal and Resource Implications**

### **Legal**

There are no specific legal implications arising from this report.

Stephen McNamara, Head of Legal Services

### **Financial**

#### **(a) Revenue**

There are no financial implication directly arising from this report

#### **(b) Capital**

There are no financial implication directly arising from this report

Graham Friday, Head of Corporate Finance

**Land**

The protocol will make property projects more robust and will facilitate Executive Member participation.

Jan Reichel, Principal Project Officer, Corporate Property

**Personnel**

There are no HR implications arising from this report

Chris Dagger, HR Business Partner, Neighbourhoods and City Development Directorate

**Appendices:**

Appendix 1 – Protocol for Executive Member Involvement in Property Projects

**LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985  
Background Papers:**

None

# Protocol for Executive Member Involvement in Property Projects

## APPENDIX (19) A

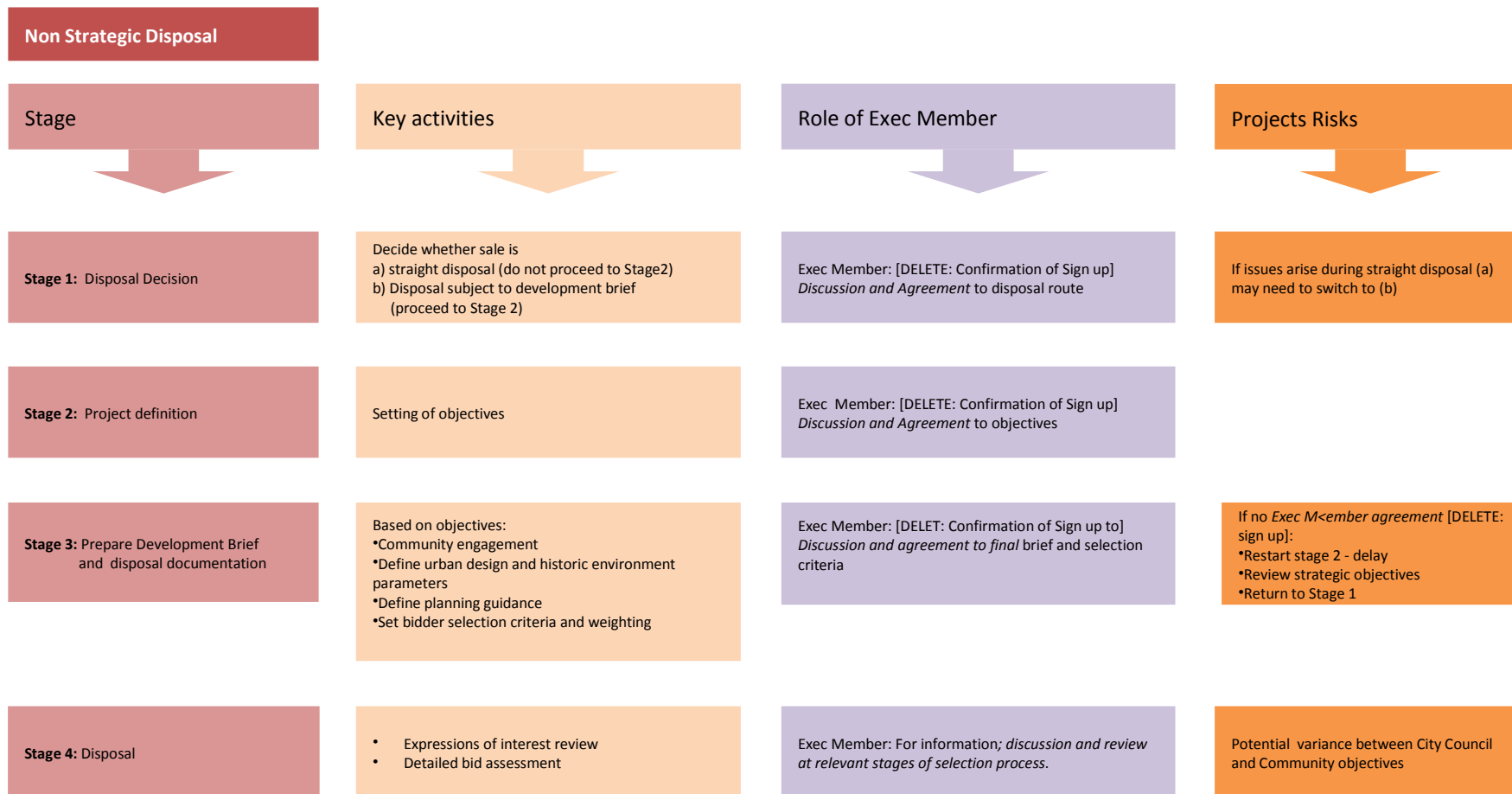
| Strategic Property Projects  | Key activities   | Role of Exec Member   | Projects Risks  |
|------------------------------|--|---|---|
| Stage                        |  |   |   |
| Stage 1: Project definition  | <ul style="list-style-type: none"> <li>Setting of strategic objectives <i>with key officer/member stakeholders</i></li> <li>Project Mandate</li> <li>Project Initiation Document</li> <li>Business Case</li> </ul> | <p>Exec Member: [DELETE:Confirmation of Sign up] Agreement to objectives</p> <p>Officer project board : Sign Off</p>  |   |
| Stage 2: Visioning           | <ul style="list-style-type: none"> <li>Review objectives with community</li> <li>Refine project scope</li> </ul>   | <p>Exec Member: Information update, <i>discussion and review</i></p>  | <p>Potential variance between City Council and Community objectives</p>   |
| Stage 3: Developer brief     | <ul style="list-style-type: none"> <li>Produce draft brief based on objectives from project documents and visioning</li> <li>Define development partner selection criteria and weighting</li> </ul>                | <p>Exec Member <i>and/or</i> Cabinet: [DELETE: Confirmation of Sign up] Agreement to final to brief and selection criteria<br/><i>Decision on whether to refer to Cabinet for approval</i></p>                            | <p>Brief , selection criteria, weighting not agreed by Exec/Cabinet</p>   |
| Stage 4: Developer Selection | <ul style="list-style-type: none"> <li>Expressions of interest</li> <li>Detailed bids</li> <li>Select developer</li> </ul>   | <p>Exec Member: Information <i>and discussion</i> on interest and bids <i>at various stages of selection. Concerns may be referred back to Cabinet.</i></p>   | <p>If no [DELETE: Sign up] <i>Exec Member agreement:</i></p> <ul style="list-style-type: none"> <li>process returns to Stage 1 or Stage 3</li> <li>Abortive costs</li> <li>External challenge</li> <li>Reputational challenge</li> <li>Impact on future marketing</li> <li>Poor community relations</li> </ul>  |
| Stage 5: Scheme design       | <ul style="list-style-type: none"> <li>Refine bid to final scheme</li> </ul>   | <p>Exec Member: Information, <i>discussion and</i> [DELETE:direction] <i>review</i><br/>Exec Member: Confirmation of Sign up to final <i>bid and scheme design</i><br/><i>Decision on whether to refer to Cabinet</i></p> | <p>If no [DELETE: Sign up] <i>Exec Member agreement:</i></p> <ul style="list-style-type: none"> <li>Restart stage 5</li> <li>Delay in delivery</li> <li>Potential loss of developer</li> </ul>  |
| Stage 6: Acquisition         | <ul style="list-style-type: none"> <li>By agreement</li> <li>CPO</li> </ul>  | <p>Exec Member: Information, <i>discussion and agreement</i> [DELETE: and Sign up] to acquisition route<br/>Cabinet: Sign off to agree purchase or<br/>Cabinet: Resolution to make an Order</p>                           | <p>If no [DELETE: Sign up] <i>Exec Member agreement or Cabinet Sign off:</i></p> <ul style="list-style-type: none"> <li>Project does not proceed</li> <li>Abortive costs significant</li> <li>External challenge more likely</li> <li>Negative reputational impact</li> <li>Poor community relations</li> <li>Developer likely to withdraw</li> </ul> |

**Note:**

a) [DELETE: Exec member signs up to not signs off in accordance with Council constitution whereby only key decisions are taken by Cabinet, all other decisions are taken by Strategic Directors.] *Officers and members will agree the approach to be taken for each stage.*

b) *The process will be flexible enough to reflect specific requirements agreed on each project eg whether and at what stages issues might need to be referred to Cabinet.*

# Protocol for Executive Member Involvement



## Note:

- Strategic and non strategic projects identified by virtue of the scale and significance of the site and it's neighbourhood context; to be identified at Stage 1 *through discussion between project officers and members.*
- Sign up to development brief at Stage 3 could authorise officers to proceed and conclude a disposal in the open market with no further reference to members *if agreed with relevant member.*