



## Agenda item 4

# Bristol City Council Minutes of the Place Scrutiny Commission

Thursday 5 February 2015 at 6.00 p.m.

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### Members present:

Cllr Martin (in the Chair), Cllr Hiscott, Cllr Bolton, Cllr Jackson, Cllr Khan, Cllr Negus, Cllr Pearce, Cllr Milestone (substitute for Cllr Threlfall), Cllr Windows

Cllr Bradshaw, Assistant Mayor – Place attended for agenda item 14: Cabinet report – Avonmouth and Portbury docks freehold

### Officers present:

Peter Mann, Service Director - Transport  
John Roy, Group Manager - Transport Assets  
David Bunting, Parking Services - Transport  
Duncan Laird, Group Manager - Transportation  
Robert Orrett, Service Director - Property  
Ian Smith, Project Leader - Property  
Andrea Dell, Service Manager - Policy & Research  
Johanna Holmes, Policy Adviser - Scrutiny  
Shahzia Daya, Service Manager - Legal Services  
Ian Hird, Principal Democratic Services Officer

### 77. Apologies for absence, substitutions and introductions (agenda item 1)

It was noted that Cllr Milestone was substituting for Cllr Threlfall.

### 78. Declarations of interest (agenda item 2)

Cllr Hiscott declared an interest in agenda item 14 (Avonmouth and Portbury docks freehold) and did not participate in the discussion of this item of business. The interest declared related to the fact that she was aware that a co-owner of the Bristol Port Company had made a financial donation towards the 2015 Conservative Party general election campaign for the Bristol West constituency (Cllr Hiscott being the Conservative Party candidate).

**79. Public forum**  
(agenda item 3)

The commission received and noted the following public forum statements:

**Statement 1** – David Redgewell, Martin Cinnamond & Ian Beckey  
Subject: Public rail governance – devolution, not centralisation

In subsequent discussion, it was noted that the key issues raised in this statement could be fed into the planning of the commission's 5 March inquiry session on transport.

**Statement 2** – David Redgewell, Martin Cinnamond & Ian Beckey  
Subject: Temple Meads – transport interchange; Temple Gate / Temple Meads redevelopment plans / Avonmouth station / bus service update

In subsequent discussion of the issues raised in the statement, some concern was raised about the advisability of taking forward the current plans for Temple Gate and the surrounding roadways at a point in time where Network Rail's longer-term master plan for Temple Meads station had not been completed. A query was raised about whether the consultation period regarding the current plans could be extended. Concern was also expressed about the fact that "Plot 6" would not be utilised under the current plans.

The Service Director – Transport clarified that the current consultation was carefully timed to ensure that the Temple Gate design could be finalised in time to enable the £11m Revolving Infrastructure Fund allocation to be utilised. The Council was at the same time maintaining an ongoing dialogue with Network Rail in relation to their emerging masterplan.

**Statement 3** – Stephen Clarke  
Subject: Long Ashton Park and Ride site

The Chair suggested that it would be appropriate for the Service Director – Transport to send a written response in relation to this statement (copy to be sent to commission members for their information).

**Statement 4** – Cllr Matt Melias  
Subject: Agenda item 14 – Avonmouth and Portbury docks freehold

**Statement 5** – Cllr Gary Hopkins  
Subject: Agenda item 13 – Alternative fuels report

**Statement 6** – Martin Garrett & Gavin Smith  
Subject: Temple Gate scheme, bus stop proposals

**Statement 7** – Christina Biggs  
Subject: Friends of Suburban Bristol Railways: MetroWest phase 1 & 2 – new year challenge

**80. Minutes - Place Scrutiny Commission - 8 January 2015**  
(agenda item 4)

**RESOLVED:**

**That the minutes of the meeting of the commission held on 8 January 2015 be confirmed as a correct record and signed by the Chair.**

**81. Action sheet – Place Scrutiny Commission**  
(agenda item 5)

The commission noted and reviewed the action sheet relating to the 8 January meeting.

Summary of main points raised / noted:

- a. Dust pollution control report: It was noted that this report would be circulated by the Policy Adviser – Scrutiny.
- b. Inquiry sessions:
  - (i) Transport inquiry – 5 March: It was noted that the Policy Adviser – Scrutiny would investigate whether it was possible for this session to start at 11.00 a.m. rather than 1.00 p.m.
  - (ii) Waste inquiry – 18 March (start time to be determined): It was noted that a draft scoping document had been prepared for consideration by the Chair and scrutiny lead members for this commission.

**RESOLVED:**

**That the action sheet update and the above information be noted.**

**82. Work programme 2014/15**  
(agenda item 6)

The commission considered the latest update of the work programme.

In relation to the proposals for an energy and technology company, Cllr Jackson advised that he had submitted questions to the Mayor on this subject to the 3 February Cabinet. Based on the response he had received from the Mayor, it was apparent that one key issue which needed to be addressed ahead of the next Cabinet report (due for submission in July) was that of who the trustees of the company would be and how they would be appointed. It was agreed that the Policy Adviser (Scrutiny) should liaise with the Service Director (Energy) and the Service Director (Legal) to ensure that the Chair and scrutiny lead members were kept updated and appraised on these issues and on the emerging, detailed proposals for the company.

**RESOLVED:**

**That the latest update of the work programme, together with the above comments be noted, and that officers progress the action identified above.**

**83. Whipping**

(agenda item 7)

None reported.

**84. Chair's business**

(agenda item 8)

None reported.

**85. Key decisions**

(agenda item 9)

**RESOLVED:**

**That the update be noted.**

**86. Transport service highway maintenance contracts**

(agenda item 10)

The commission considered a report on the new approach being undertaken in evaluating a new highway maintenance contract model.

Members generally welcomed the principles underlying the new approach. Set out below is a summary of the main points raised / noted by the commission:

- a. Officers were considering a range of different contract models. This could include a contract with a single provider (running all the contracts) or a smaller number of contracts (than at present) rationalised according to technicality or size.
- b. A strategic peer review had produced the following main findings:
  - (i) It would be important not to rush into a radical change of contract arrangement. It would be essential to carefully consider priority outcomes, contractor capability and any risks.
  - (ii) An asset management system needed to be procured to ensure better information on assets and to help develop longer term rolling programmes.
  - (iii) It would be important to fully develop the potential for collaboration with partners.

- (iv) Performance management needed to further developed.
- c. The new asset management system (acquisition approved by the Change Board) would enable on-line reporting of highway maintenance issues, e.g. potholes. The new system (target operational date: April 2015) would bring benefits in terms of informing future long term maintenance priorities, identifying long term rolling programmes and priority outcomes for the new contract model.
- d. Members' specific comments:
  - (i) Cllrs Jackson and Bolton were supportive of looking to let a number of rationalised contracts, as this option would potentially offer opportunities for local contractors / local employment opportunities.
  - (ii) Cllr Pearce suggested that consideration be given to letting contracts on a geographical basis, aligned to neighbourhood partnership areas.
  - (iii) Cllr Negus stressed the importance of ensuring that the new approach was focused on driving out improved outcomes, and that there was complete clarity in relation to contract specifications. Where appropriate, collaborations of contractors should be encouraged.

**RESOLVED:**

**That the report be noted, together with the above information / comments.**

**87. Residents parking schemes (RPS) finance update**  
(agenda item 11)

The commission considered a report providing an update and statistical data on RPS finances.

Set out below is a summary of the main points raised / noted by the commission:

- a. Cllr Bolton expressed concern that (based on comments he had received from some residents in Southville), officers were not engaging with residents who wished to raise issues about the detail of residents parking schemes once the statutory consultation process was underway. The Chair commented that this issue had been raised on a number of previous occasions. In response, the Service Director – Transport advised that it was not appropriate for officers to engage with residents about particular or individual concerns about scheme detail during the statutory consultation period, as this could potentially leave the Council open to a legal challenge. He reminded members that extensive local, informal consultation took place before the statutory consultation process was started. This regularly (in response to the initial, informal consultation)

resulted in scheme detail being changed / refined before the statutory consultation commenced.

- b. In response to a question from Cllr Negus, the Service Director – Transport clarified that the current forecast was that the 6 schemes currently live would generate a surplus of £442k in 2014/15. This sum had been provisionally set aside as a contingency fund to cover any unexpected scheme delays, costs or shortfalls in income over the 6 year capital loan payback period.
- c. In discussion, the Service Director – Transport reminded the commission that there was no relationship between the price of a residents parking permit (a first permit being priced at £48) and the capital loan payback position. The permit price was a policy issue related to the value and benefit derived from it.
- d. The Chair commented that, given the level of the surplus as forecast, and given that the permit price was a matter of policy, it could be argued that the policy was in effect determining a local “tax” on residents. The Service Director – Transport reiterated the point about value and benefit derived from the permit, enabling residents to park nearer to their homes and reducing traffic congestion and air pollution in local communities.
- e. Cllr Jackson raised an issue querying the extent to which essential carer permits were being used. He indicated he was aware that some care staff were paying to park in some RPS areas and then reclaiming their parking costs from the relevant council directorate. In discussion, the Service Director – Transport advised that it would not be equitable to charge private sector care organisations for parking, but not charge Council staff / directorates on the same basis. The Chair asked that a note be provided by officers to the commission providing available data on the use of essential carer permits. Cllr Pearce suggested that the People Scrutiny Commission might wish to investigate this matter further.
- f. In further discussion, members agreed that the commission should continue to review and closely monitor the financial position in relation to residents parking schemes; financial update reports should accordingly be submitted to the commission on either a 6 or 12 monthly basis.

**RESOLVED:**

**That the report be noted, together with the above information / comments, and that further RPS finance update reports continue to be submitted to the commission on either a 6 or 12 monthly basis.**

**88. MetroWest and rail update**  
(agenda item 12)

The commission considered an update report (for information) on MetroWest and other rail issues.

**RESOLVED:**  
**That the report be noted.**

**89. Alternative fuels report**  
(agenda item 13)

The commission considered a report reviewing opportunities to promote low emission technologies and fuels in Bristol.

Prior to the commission's discussion of the report, the Service Director – Transport circulated a copy of a public statement issued earlier that day by the Mayor on alternative fuel technologies.

Set out below is a summary of the main points raised / noted by the commission:

- a. It was noted that a summary of Office for Low Emission Vehicles (OLEV) opportunities was set out in appendix A of the report. In relation to the Go Ultra Low City Scheme, a “screening” proposal would need to be submitted by 20 February. If successful, a full business case would need to be completed by 31 August.
- b. The Chair and other members expressed their disappointment and concern that (especially in the context of Bristol being European Green Capital 2015) hydrogen technology was not being included as part of the February 2015 “screening” proposal in relation to the Go Ultra Low City Scheme. They were also concerned that the commission had not been consulted at an earlier stage on the detail of this proposal. The Chair asked that officers send him a written explanation about why hydrogen technology was not being included in the proposal. He was particularly disappointed that a hydrogen refuelling station was not being pursued as part of the current bid, pointing out that in London, for example an ambitious approach was being taken in relation to hydrogen buses. It was noted that there could be an opportunity to pursue this as part of further OLEV opportunities later in the year.
- c. Cllr Negus commented that every opportunity should be taken (taking on board also the experience / best practice of other cities) to maximise opportunities for freight consolidation and for freight operators to be able to reduce the environmental impact of their businesses within the city.
- d. Cllr Jackson suggested that the opportunity should be taken to maximise the potential for the use of electric cars by Council staff. Cllr Pearce suggested that discussions should take place about the emerging Council-owned energy and technology company sourcing the electricity supply for Council electric (and other electric) vehicles.

- e. The Chair commented that it would be useful for the commission to be supplied with data on the current use of electric vehicle charging points.

**RESOLVED:**

**That the report be noted, together with the above information / comments.**

**Note:**

The Chair left the meeting at this point. On noting that Cllr Hiscott (Vice-Chair) had declared an interest in the remaining item of business (agenda item 14 – Avonmouth and Portbury docks freehold – Cabinet report), and would not be participating in the discussion of the item, it was

**RESOLVED:**

**That Cllr Pearce take the chair for the remainder of the meeting (i.e. agenda item 14).**

**90. Avonmouth and Portbury docks freehold – Cabinet report**  
(agenda item 14)

The commission considered a report seeking comments on a Cabinet report (scheduled for the 3 March Cabinet).

Cllr Bradshaw (Assistant Mayor – Place) attended the commission for this item of business.

It was noted that the report contained a reference to an exempt appendix containing external valuation advice from Jones Lang LaSalle (JLL). Members agreed that they wished to receive a detailed briefing from the Service Director – Property in relation to the issues covered in the exempt appendix, and accordingly, it was:

**RESOLVED –**

**That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the consideration of this item of business on the grounds that it involves the likely disclosure of exempt information as defined in Part 1 of Schedule 12A to the Act (as amended).**

The Service Director – Property then gave a detailed briefing. Points highlighted included:

- a. The principle of this freehold disposal had been agreed by the Mayor at the Cabinet meeting held on 1 April 2014.
- b. Since the “in-principle” decision taken on 1 April 2014, officers had been engaged in concluding legal due diligence, including the issue of



confirming that the Council's position as minority shareholder in the port business would not be materially changed by the freehold transfer.

- c. The external valuation advice from JLL was commercially sensitive as publication of this advice at this stage would be inappropriate prior to the legal completion of the freehold purchase.
- d. The background in relation to the assessment of the purchase price was explained in detail, including the issues around:
  - the price that the Council would reasonably expect to receive currently if the land was sold to another investor.
  - property "marriage value" considerations.
- e. In relation to the proposed freehold purchase price, JLL were of the opinion that the proposed purchase price of £10m for the freehold represented the best price reasonably obtainable to the Council for the sale of the site.
- f. The sale of the freehold would not affect the annual dividend the Council received by virtue of its current shareholding.
- g. The sale of the freehold would, however, result in the Council forgoing current entitlement to a share in any future uplifts from the development potential if these arise in the future. Scenarios tested by JLL demonstrated that the £10m price now was advantageous compared with the hope of future returns from this uplift.
- h. From the perspective of the Service Director, the proposed sale price represented the best price that the Council would be able to achieve for many decades.

Set out below is a summary of the main points raised / noted by the commission members in discussion:

- a. Cllr Negus raised a number of issues / concerns:
  - (i) The current proposal was, in his opinion, based on a short term view / realisation of £10m for this asset rather than being based on a long term, corporate view of this asset. Previous administrations had resisted previous approaches regarding the freehold disposal of this land.
  - (ii) The land had been valued as an asset for sale now / immediately. In his view, this proposal, if approved, would be a bad decision. Proper consideration was not being given, in his view, to the longer term, potential value of the land, i.e, extending over a considerable period of time. The longer term interests of the city might be better served by a participatory arrangement for future benefit, both financially and strategically.

- (iii) It should borne in mind that in the longer term, the current controls on this land might change during the remaining 127 years of the lease due to future planning / financial / devolution changes.
  - (iv) The port was a profitable business. This deal would not permit an option for an increased share of profits. The acquisition of the freehold would make any onward sale of the freehold more attractive to prospective purchasers.
  - (v) It was important to recognise the opportunities that a well-placed deep water port would have into the future, including the opportunity to engage with the increase in marine energy activity in the Severn estuary and Cardiff Bay areas, resulting in greater port and supporting activities.
- b. Cllr Jackson commented that he accepted the JLL view about the proposed £10m purchase price representing a favourable deal for the Council at the present time. He was not convinced, however, that there was any overriding need for the Council to progress the deal at this stage.
- c. Cllr Bradshaw commented that officers had concluded the required due diligence, following on from the “in principle” decision taken on 1 April 2014. The issues relating to the progressing the disposal (including the longer term considerations raised at this meeting) had been discussed in great detail by the Mayor and Cabinet members. The Cabinet had been very keen to share as much information as possible with scrutiny members. In his view, the £10m sum that would be realised from the disposal (if approved by the Mayor at the 3 March Cabinet) would provide an opportunity / the ability for the Council for make investments that would bring real benefits to the city, on an ongoing basis. In his personal view, such investment should be focused on tackling disadvantage. It was also important to bear in mind the importance of the port generally to Bristol’s economy.
- d. In response to a question from Cllr Khan, the Service Director – Property confirmed that the port company was not prepared to negotiate on the issue of the Council receiving an increased shareholding / share of profits.

At the conclusion of the discussion, at the suggestion of the Chair, it was

**RESOLVED:**

**That (in the context of the decision due to be taken at the 3 March Cabinet), the Mayor and Cabinet be advised of the comments of this commission as detailed above and that in considering the report, the Mayor and Cabinet should in particular take into consideration and have regard to the following:**

- 1. The commission was concerned that a short term political / economic gain would be made at a potentially greater long term opportunity cost, while there was no clear or immediate need or plan to use the money to be realised from the sale.**

- 2. In light of the exempt appendix (JLL valuation report) and the information provided at the meeting by the Service Director – Property, the commission was aware that the current proposal to sell the freehold for £10m represented good value / a favourable deal for the Council at the present time.**
- 3. The commission was, however, resistant to the idea of executing the sale without an urgent need to realise the £10m sum or a firm proposal for its use. Members coupled this concern with the likelihood of a considerable uplift in the value of the asset to the Council as the remaining lease term became significantly diminished (e.g. in approx. 70 years' time).**
- 4. The commission sought reassurance that the Mayor was satisfied (as the commission was not) that the Council would not potentially suffer a significant opportunity loss by disposing of a significant economic asset that potentially (and this had not been disproved to the satisfaction of the commission) had a considerable competitive advantage over other UK and European port facilities, and could therefore have a greater value than anticipated in the medium / long term.**

The meeting finished at 9.10 p.m.