

THE EXTRAORDINARY MEETING OF EXETER CITY COUNCIL

Guildhall
Wednesday 19 July 2017

The Right Worshipful the Lord Mayor (Cllr Robson)
The Deputy Lord Mayor (Cllr Hannan)
Councillors Baldwin, Bialyk, Branston, Brimble, Denham, Edwards, Foale, Foggin, Gottschalk, Hannaford, Harvey, D Henson, Mrs Henson, Holland, Lamb, Leadbetter, Lyons, Mitchell, Morris, Morse, Musgrave, Newby, Owen, Packham, Prowse, Sheldon, Spackman, Sutton, Thompson, Vizard, Wardle, Warwick and Wood

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APOLOGIES

Apologies for absence were received from Councillors Keen, Pearson and Sills.

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QUESTIONS FROM MEMBERS OF THE COUNCIL UNDER STANDING ORDER NO. 8

In accordance with Standing Order No. 8, the following question was put by Councillor Prowse to the Leader.

Question – The Leader is asked to respond to the following:

On page 21 of today's report under para. 2.1 there is a breakdown of the calculations that eventually give an accumulative answer to the source of the funds to finance the development. The New Homes Bonus element indicates a sum of £18 million as part of the contribution. Give or take a shekel or two there is only £11 million in the bank. Where does the other £7 million appear from?

The Leader stated that the Portfolio Holder for Health and Wellbeing, Communities and Sport would reply to the question.

The Portfolio Holder for Health and Wellbeing, Communities and Sport responded that under the current Council resolution, £1m of New Homes Bonus money a year would be set aside to cover major projects or debt reduction as was approved at Council on 21 February 2017. The additional £7m would be recovered over the next seven years and management of the gap would be undertaken as part of the Council's day to day treasury management activity. No long term borrowing would be undertaken to cover the gap.

In response to Councillor Prowse's supplementary question, the Portfolio Holder for Health and Wellbeing, Communities and Sport clarified the position with regards to the recovery of the additional £7 million and the Council's day to day treasury management activity. No long term borrowing would be undertaken to cover the gap.

In accordance with Standing Order No. 8, the following questions were put by Councillor Musgrave to the Leader.

Question - Does the Council's preferred construction contractor have any link to the Consulting Association, known to support a construction industry practice of blacklisting unionised and union associated construction workers?

The Leader stated that the Portfolio Holder for Health and Wellbeing, Communities and Sport would reply to the question.

The Portfolio Holder for Health and Wellbeing, Communities and Sport responded that the Contractor had confirmed that they do not. The Consulting Association was wound up in 2009, and the contractor has confirmed that they do not support or condone the practice of “blacklisting” in any way whatsoever and not do I.

Question - What measures will the Council put in place to ensure that blacklisting of construction workers is not possible on the St Sidwell site?

The Leader stated that the Portfolio Holder for Health and Wellbeing, Communities and Sport would reply to the question.

The Portfolio Holder for Health and Wellbeing, Communities and Sport responded that the Council would work closely with the contractor to prevent this practice. For example, in 2016 the contractor issued specific directions to prevent any practice of “blacklisting” and they fully recognised that this is contrary to both law and industry best practice.

Question - Is there provision in the construction contract for unfettered construction site access for union officials?

The Leader stated that the Portfolio Holder for Health and Wellbeing, Communities and Sport would reply to the question.

The Portfolio Holder for Health and Wellbeing, Communities and Sport responded that the contractor is covered under the Construction Industry Joint Council working rule agreement. It is the largest industrial agreement within the construction industry and covers workers at Contractor & Subcontractor level.

Question - What conversations have been had between the preferred construction contractor and the project team about trade union recognition, paid time off for union representatives and worker health and safety?

The Leader stated that the Portfolio Holder for Health and Wellbeing, Communities and Sport would reply to the question.

The Portfolio Holder for Health and Wellbeing, Communities and Sport responded that the construction contract is still to be negotiated but, in principle, this should not be problematical, subject to health and safety considerations.

Question – Will all main contractor and sub-contractor workers receive a trade union induction before working on the St Sidwell's site?

The Leader stated that the Portfolio Holder for Health and Wellbeing, Communities and Sport would reply to the question.

The Portfolio Holder for Health and Wellbeing, Communities and Sport responded that all workers would receive an induction prepared by the company.

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PROPOSAL TO COMMENCE LEISURE COMPLEX AND SWIMMING POOL AND BUS STATION

Minutes 71 and 73 (Proposal to commence Leisure Complex and Swimming Pool and Bus Station) of the meeting of Executive held on 11 July 2017 were taken as read.

The Leader of the Council moved and the Portfolio Holder for Health and Wellbeing, Communities and Sport seconded the recommendation from Executive 11 July 2017 in respect of the funding proposals for the Leisure Complex and Bus Station.

The Leader stated that it was a shame that the Council had to be here tonight, and it was a shame that diggers were not already in the ground, building a new leisure centre and bus station and regenerating the site. Everyone knows there was a massive need for these facilities in Exeter, the pyramids swimming pool was built in the war and that if the Council did not do something soon it would have to spend money on it or even have to close it. What the city had at the moment just was not good enough for Exeter.

Exeter was now the fourth highest city in the County for job creation and regeneration had been council policy for 20 years and it had taken this Labour administration to deliver it. It was what the Labour Party were elected to do. The cost was more than the Council had planned to pay and the original budget meant there was no need to borrow anything. It was made up of revenue generated by the success of the city, through its expansion and growth, through Community Infrastructure Levy (CIL) and New Homes Bonus (NHB). So why does the Council need more money now? This is because the costs had gone up and those costs would continue to go up much higher if the Council delayed taking this decision any longer so it was urgent that the Council take this decision tonight.

Brexit had created economic uncertainty and unfortunately the Council were paying the price for that. The Council had spent the last few months carefully scrutinising every single part of this project to get the best deal it could, and set the new budget being asked for tonight. Incidentally, if Devon County Council had paid for a new bus station instead of letting the City Council pick up the bill, the Council would not have had to borrow anything. As it was, the proposal was to plan to borrow £6.27m at a fixed rate over 50 years and all of it would be paid back through revenue generated by the leisure centre. There would be no impact for council tax payers.

The Council would secure the construction contract at a fixed price and would appoint a contractor committed to best industry practices, after consultation with the unions. There had been a lot of talk over recent months, rightly so. This must be one of the most carefully scrutinised projects in the council's history. Now was time for action. The Labour Party were elected to deliver these new facilities and this was exactly what it would do.

Councillor Leadbetter, seconded by Councillor D Henson moved an amendment to the recommendation to read:-

Whilst agreeing that the City of Exeter deserves a modern Swimming Pool and Bus Station, fit for purpose, this Council is concerned at the revised costings of almost £40 million.

It therefore recommends that Council agree to:

- a) Put the project on hold, whilst a thorough evaluation and review is instigated of what Exeter actually requires; and*
- b) Finds ways of reducing the cost to a figure the City can afford, closer to the original estimates, without the additional borrowings of £7.65 million and the use of all CIL/NHB monies.*

Councillor Leadbetter speaking in support of his amendment stated that, whilst recognising that the city did need a new pool it should not be at any cost. The costs

had more than doubled in the last few years, the design was over complicated, it did not need to be passivhaus or provide gym facilities, as these could be provided by the private sector and the Bus Station was not big enough. The amendment was not proposing to cancel the project put it on hold and see what could be provided at a reduced cost so that some of funds could then be used for other projects around the city.

Members speaking in support of the amendment raised concerns regarding:-

- the ever increasing budget the impact of borrowing on the council in particular if the interest rate should increase
- would this project be another RAMM which was overspent
- concerns that the figures in the business case did not add up
- the protection of workers' rights working on the construction
- the use of a private operator for running the leisure complex
- should have a referendum of residents to see if they supported the council borrowing of £7 million for his project
- Bus Station not fit for purpose
- the pool should be 50 metres
- it was the wrong location for a swimming pool
- the stopping up of Paris Street had not yet been confirmed.

Members opposing the amendment:-

- felt that the Council had been prudent with its CIL and NHB monies and were spending monies on the other projects in the city for example community builders to help communities at grass roots level
- this project would be a landmark building for the city and represented value for money; the leisure complex would help to attract business to the city
- would ensure that employees rights were protected, paid the living wage and unions recognised
- the Council had been fully transparent throughout the project and learnt lessons from the RAMM project with the cross party programme board, members briefings, using external project managers and a fixed price construction of the buildings
- there have been no alternative proposals put forward
- Brexit had been a significant factor in the increasing costs.

The Portfolio Holder for Health and Wellbeing, Communities and Sport in response to Member's questions commented that the project had been scrutinised over the past few months and, compared to other leisure facilities, it clearly showed that the project provided value for money. The Council would only be borrowing 15% of the overall cost of the project with 85% coming from council funds. The Council had learnt lessons from the RAMM project and were using outside consultants who were experts and the risk and liabilities of the project would be with the developer.

The Leader clarified that the contract would not include liability for the ground work.

Councillor D Henson in seconding the amendment commented that he had listened to all views and accepted that problems occurred with developments but could not see how the project had gone from £16 million to nearly £40 million. Whilst a new swimming was needed he was not convinced that the council had got it right at the moment.

Councillor Leadbetter in summing up, stated that there had been a good and robust debate on the proposal and that the opposition was entitled to their opinion. He was of the view that this proposal did not provide good value for money.

The amendment proposed by Councillor Leadbetter was put to the vote.

In accordance with Standing Order 27(1) a named vote on the amendment was called for as follows:

Voting for:

Councillors Baldwin, Henson D, Mrs Henson, Holland, Leadbetter, Mitchell, Musgrave, Newby, Prowse and Thompson.

(10 Members)

Voting against:

Councillors Bialyk, Branston, Brimble, Denham, Edwards, Foale, Foggin, Gottschalk, Hannaford, the Deputy Lord Mayor, Harvey, Lamb, Lyons, Morris, Morse, Owen, Packham, Sheldon, Spackman, Sutton, Vizard, Wardle, Warwick and Wood.

(24 Members)

Abstain:

The Right Worshipful the Lord Mayor

(1 Member)

Absent:

Councillor Ashwood, Keen, Pearson and Sills

(4 Members)

The amendment was lost.

In seconding the recommendation of the Executive, the Portfolio Holder for Health and Wellbeing, Sport and Communities stated that it was important that the council kept hold of the vision it had for Exeter and this proposal was key too that vision. The City was expanding employment wise, it had a job surplus and was the fourth best city in the country for the creation of new jobs. The Council was working with Exeter College to create apprenticeships in construction and engineering, between 2013 and 2016 5,900 jobs had been created in the banking, finance and insurance sector. It was predicted that, in the next ten years, the city's economy would grow by 18.1% and employment by 9.4%. It was important that the Council replace the aging Bus Station and pool and he was proud of what the Labour administration was doing.

The Leader, in summing up, commented that the Council had had a good debate, it was important that Members voted for projects like this to enable the city to prosper and grow. Exeter had the best shopping facilities in the South West and the Council needed to encourage businesses to the city.

RESOLVED that Minutes 71 and 73 of the Executive held on 11 July 2017 (as below) be received and adopted:-

- (1) The allocation of an additional £0.62 million for the bus station and £7.05 million for the leisure centre to develop a new leisure complex and bus station; and
- (2) Once the overall budget of £39.92 million is agreed by full Council, the Deputy Chief Executive be authorised to enter into a written contract with the successful tenderer prior to the commencement of any works on site.

In accordance with Standing Order 27(1) a named vote on the recommendation was called for as follows:

Voting for:

Councillors Bialyk, Branston, Brimble, Denham, Edwards, Foale, Foggin, Gottschalk, Hannaford, the Deputy Lord Mayor, Harvey, Lamb, Lyons, Morris, Morse, Owen, Packham, Sheldon, Spackman, Sutton, Vizard, Wardle, Warwick and Wood.

(24 Members)

Voting against:

Councillors Baldwin, Henson D, Mrs Henson, Holland, Leadbetter, Mitchell, Musgrave, Newby, Prowse and Thompson.

(10 Member)

Abstain:

The Right Worshipful the Lord Mayor

(1 Member)

Absent:

Councillor Ashwood, Keen, Pearson and Sills

(4 Members)

(The meeting commenced at 6.00 pm and closed at 7.45 pm)

Chair