

EXECUTIVE FUNCTIONS DECISION RECORD

The following decision was taken on Tuesday, 16th May, 2017 by Cabinet.

Date notified to all Members: Wednesday 17th May, 2017

The end of the call in period is 5.00 p.m. on Friday 26th May, 2017 and therefore, the decision can be implemented on Tuesday 30th May, 2017

Present:

Chair - Mayor Ros Jones (Mayor of Doncaster with responsibility for Budget and Policy Framework)

Vice-Chair - Councillor Glyn Jones (Deputy Mayor and Portfolio holder for Adult Social Care and Equalities)

Cabinet Member for:

Councillor Joe Blackham	Portfolio holder for Regeneration and Transportation
Councillor Tony Corden	Portfolio holder for Customer, Corporate and Trading Services
Councillor Nuala Fennelly	Portfolio Holder for Children, Young People and Schools
Councillor Chris McGuinness	Portfolio holder for Communities, the Voluntary Sector and Environment
Councillor Jane Nightingale	Portfolio holder for Housing

Apologies:-

An apology for absence was received from Councillor Bill Mordue

PUBLIC MEETING – SCHEDULE OF DECISIONS

Decision Records dated 11th April, 2017, be noted.

Prior to the commencement of the formal agenda, the Mayor stated that Cabinet were due to consider a single report and to also note that there have been two questions from elected members, which would be taken during item 5 of the agenda.

The Mayor also wished to take the opportunity to thank Councillor Tony Corden for his contribution on Cabinet and to Doncaster over the last four years. She stated that Councillor Corden had chosen to step back from his Cabinet duties following the local elections. She was very grateful for the support and contribution Tony had made and stated that he can be very proud of his achievements. She said thank you both from herself and on behalf of the Council.

DECISION 1.

1. AGENDA ITEM NUMBER AND TITLE

5. Options for concluding the MUSE Partnership Agreement.

2. DECISION TAKEN

Cabinet:-

- (1) agreed to vary the Development Agreement with Muse on the basis set out in the confidential annex;
- (2) delegated the finalisation of the exact arrangements and transfer of land residuals to the Director of Regeneration and Environment and the Director of Finance and Corporate Services in consultation with the Mayor, the details of a contract variation to be agreed with Muse;
- (3) agreed the funding package as set out in the finance/funding section of the confidential annex;
- (4) agreed the inclusion of the Multi-Storey Car Park to the Council's capital programme; and
- (5) agreed the addition of the Car Park fees at the existing level as detailed in paragraph 12.

3. REASON FOR DECISION

Simon Wiles, Director of Corporate Services presented the report to Cabinet stating that the Council currently had a ten year Development Agreement with Muse Developments Limited ("Muse") which was entered into in 2009 and effectively runs until 2019. The agreement has been the foundation of the developments in the Civic and Cultural Quarter including the successful on time and within budget development of the Civic building, the Cast building, the Gables housing development and Sir Nigel Gresley Square and associated public realm. However, the agreement covers a range of other sites which had originally been intended to have further developed by now but for a variety of economic and other reasons are yet to be developed.

It was reported that following discussions between the Council and Muse, Muse have offered the Council an option to vary the agreement. If accepted, the parties obligations to each other will cease now rather than in over two years' time.

Simon wished to notify members that he had been advised that the exempt information attached to the report had been leaked to the media. He also wished to point out that it is always the intention for reports to be held within the public domain. However, there are certain times when it is necessary to exclude confidential financial information in the interests of the Council and in this case for

MUSE who are a public company and have responsibilities to their stakeholders. Whilst he hadn't been made aware of the potential consequences with regard to the information being disclosed, discussion with MUSE would take place outside of the meeting. He stated that whilst very few people had been given access to the confidential information, he announced that a full investigation would be carried out by the Monitoring Officer as to why this has happened and Members would be notified of the outcome in due course.

The Mayor, Ros Jones, indicated that she supported a full investigation being undertaken. It is important to understand that disclosing such information jeopardised the growth of the borough and the leaking of the exempt appendix carries consequences.

The Mayor commented that the MUSE Partnership Agreement was entered into in 2009 by a previous administration, and is currently due to run until 2019. She stated that it had delivered some good outcomes for Doncaster, including:-

Regeneration in CCQ such as; Sir Nigel Gresley Square, Cast – our fantastic new theatre; Civic Office; The Gables Housing Scheme; Redevelopment of the CCQ Multi-Storey Car Park and also the Residence at the Lakeside.

She reported that these developments have made an important contribution to Doncaster, and have delivered very significant improvements in the Waterdale area. However, the economic downturn had also meant some of the assumptions made at the time of the agreement have not come to fruition, and, as a result anticipated developments, such as a hotel in the former Girls School, have not materialised to date.

The Mayor advised that the current agreement was due to come to an end in 2019 and at that point the Council would negotiate termination of the agreement with MUSE. She reported that the Council had been offered the opportunity to mutually agree an early end to the deal and the recommendation from the Council's Director of Finance and Corporate Services was to agree to vary the Development Agreement with MUSE and bring the agreement to an early end.

The Mayor then invited the question submitted by Council Steve Cox.

"In the Master Plan it's stated that it's being funded with Sheffield City Region Money, how is the master plan able to be brought forward faster by buying out Muse now"?

The Mayor thanked Councillor Cox for his question and stated that in answering the question she would like to clarify some important points.

"The Urban Centre Master plan sets out the Council's vision for the development of the town centre to ensure that it is successful, vibrant, sustainable, and fulfils its role as a key economic driver for our borough. The Master plan is a planning document. It is a long term development programme and is not being funded in its entirety by Sheffield City Region funding, indeed I hope and expect that the project will help to secure much needed private sector investment in the town centre.

However, the Council will be delivering a number of important projects within the master plan, to help turn it into reality, which included the use of Sheffield City Region Infrastructure Funding (SCRIF)

I should also make it clear that the Council is not 'buying out' Muse. The current agreement with Muse is due to come to an end in 2019 and the option has been put forward to mutually end the agreement early.

In terms of timing, there are a number of town centre sites within the Urban Centre Master Plan, where Muse currently has an option. These include the CCQ, Waterfront, Scarborough House site, the Girls School site, St James Baths, and the former Council House site. Some of the sites have been allocated funding from the Sheffield City Region Infrastructure Funding (SCRIF) as part of the Urban Centre package.

The CCQ is one of these sites, where a cinema and restaurant offer in the Civic and Cultural Quarter is proposed. The delay in delivering this project could put the funding of this scheme from SCRIF at risk of being withdrawn. By ending the agreement with Muse, the Council could be in a position to find a solution and secure development at an earlier stage than Muse, as the Council could work with several developers rather than a single developer who would choose to do things sequentially.

Similarly, the Council does not only have the option of using current SCRIF funding to secure new developments. We may wish to make the most of other opportunities as we currently are with the National College for High Speed Rail and through the Herten Triangle proposal. However, there is a risk that we may not be able to progress these opportunities, whilst Muse retains its options on the sites within the current agreement”.

The Mayor sought members comments with regard to the report.

Cabinet members welcomed the report. Councillor Chris McGuinness highlighted that extensive negotiations had taken place over a significant period of time and asked whether the Director of Finance and Corporate Services was confident with the recommendations. Simon Wiles, Director of Finance and Corporate Services stated that whilst the decision was not without risk he was comfortable with the arrangements which will enable the Council to move forward on a number of sites. Councillor Nuala Fennelly also stated that it was imperative that the Council move quickly to ensure that young people benefit from new employment opportunities generated from the developments.

At this point, the Mayor asked that the public and press be excluded from the meeting, whilst Cabinet discuss the confidential annex to the report. She stated that the public and press would be asked to re-enter the room so that the decision on the report could be taken in public.

The Mayor presented her response to the question submitted by Councillor Nick Allen.

Simon Wiles, Director of Finance and Corporate Services provided Cabinet with

further explanation in relation to financial implications contained within the exempt appendix to the report.

Following the discussion members of the public and press were invited back into the meeting.

In conclusion, the Mayor reported that the development agreement with Muse has delivered some good outcomes for Doncaster and made an important contribution to regeneration of the town centre. However, she stated that for a variety of reasons it has not delivered all of the outcomes that the Council anticipated when it was signed.

She stated that having considered all the information in the proposal, she was satisfied that the recommendation from the Director of Finance and Corporate Services to agree to vary the current development agreement with Muse represents the most appropriate way forward for Doncaster for all the reasons outlined within the report.

Cabinet were in full agreement with the recommendations highlighted within paragraph 5 of the report.

4. ALTERNATIVES CONSIDERED AND REJECTED

Option 1 – Do Nothing

This would leave the existing Development Agreement in place until it expires in 2019. This restricts the Council's ability to deal with the land currently in the development agreement and any development is subject to the negotiation with Muse creating uncertainty and will attract payment of developer contributions. By leaving the agreement to expire in two years' time there are additional complexities including there will need to be further legal negotiations over the Council's share of the Waterdale Development account £3.6m deficit (which is disputed by Muse). If the Council win this case it could cost less to wait until expiry, however it would take more time, incur costs, and may not result in anymore contribution than that included in the negotiated deal under this proposal and may in fact be worse.

5. DECLARATIONS OF INTEREST AND DISPENSATIONS

There were no declarations.

6. IF EXEMPT, REASON FOR EXEMPTION

Appendix 1 to the report contained exempt information under paragraph 3 (information relating to the financial or business affairs of any particular person, including the authority holding that information) of Schedule 12A of the Local Government Act 1972, as amended.

7. DIRECTOR RESPONSIBLE FOR IMPLEMENTATION

Simon Wiles, Director of Finance and Corporate Services.

Signed.....Chair/Decision Maker