

3. BACKGROUND

3.1 The attached report (Appendix A) of the Corporate Director (Development & Renewal) was initially considered by Cabinet on the 5th April, 2006, but has been “Called In” for further consideration by Councillors Rew, Ludlow, O’Flaherty, Phelps and Sanderson in accordance with the provisions of Part 4 of the Council’s Constitution.

3.2 The Cabinet after considering the attached report provisionally agreed:-

1. That in principle the disposal of Cheviot House, to East Homes Limited, as shown as Appendix A to the report (CAB 206/056), be agreed on the basis of:
 - (a) A 125 year building lease on a full repairing and insuring basis;
 - (b) A permitted use being solely for the provision of a C2 residential institution, subject to overage conditions; and
 - (c) Vacant possession to be provided by 31st March, 2007.

4. THE “CALL IN” REQUISITION

4.1 The reasons advanced in the “Call In” requisition are set out below:-

1. The Council must act and behave in accordance with its legal and constitutional duties. It does not matter whether the item under the challenge or the interrogation or the questioning is a sale or any other instrument/document; the basic principles are the same. The call-in members feel that overly advantageous terms have been granted the buyer and disposal has been rushed through before the end of this administration to suit yet another timetable of East Thames Housing Association.
2. No alternative options for the disposal of the building have been explored. There is no justification given for the lack of exploration of alternative options for the disposal of this valuable asset.
3. The call-in Members acknowledge the recommendation 2.1 (iii) “In the event of any changes in the residential user clause of C2 residential institution class the Council will receive 62.5% of the overage arising from the change in user clause.”

The call-in members do not believe that this is robust enough. We are concerned that the lease does not include sufficient deterrents to prevent a change of use or prevent the further sale of this building to a commercial developer.

4. The two reports on this disposal note that Cheviot House is surplus to the Council’s requirements as part of the Office Accommodation Strategy. Paragraph 5.2 (Agenda Item 10.4) notes “However, there are as yet no plans approved for the relocation of either the One Stop Shop or the Local

Housing Office and to achieve the agreed timeframe plans to do this will need to be prepared and implemented quickly.”

By selling Cheviot House we will be losing a popular, accessible and well-used community facility. The call-in members would like to see the reallocation of the Council’s functions currently housed at Cheviot House spelled out in more detail in the report.

5. The report “anticipates” that East Thames will return the land at Weavers Fields to the Council. The Call-in members feel that this should be stipulated within the contract. To do otherwise is to act in a favourable way towards this particular organisation.
6. Agenda Item 10.4 states that Cheviot House is preferred location because “It is surrounded by predominantly commercial and retail rather than residential users.” It fails to recognise that there are residents and a Girls School nearby that may be affected by this development. Indeed, call-in members have already been contacted by local people who are concerned that young people will be brought in and dumped in the locality.

The call-in members think that these concerns should be addressed before the disposal goes ahead. The call-in members are concerned that a lack of investigation by the Council into the potential effects of this new development could constitute grounds for a legal challenge.

5. ALTERNATIVE COURSE OF ACTION

- 5.1.1 In accordance with the Committee’s procedures, the “Call In” Members have provided an alternative course of action for consideration.

That the disposal of Cheviot House is delayed pending

1. Investigation of the impact of a Foyer on the local residents and the community.
2. That residents within the vicinity of the building are consulted.
3. An options paper on the alternative uses available in the current market for the disposal of Cheviot House.
4. Further detailed information on the Accommodation Strategy and an outline of where the present services will be relocated.
5. A clause is inserted in the agreement that states that the disposal is dependent on the buyer having already returned the land at Weavers Fields back to the Council.

6. CONSIDERATION OF THE “CALL IN”

- 6.1 The following procedure is to be followed for consideration of the “Call In”. (A provisional time limit of 30 minutes has been allocated for the consideration of this item)

- (a) Presentation of the “Call In” by one of the “Call In” Members followed by questions.
- (b) Response from the Lead Member/officers followed by questions.
- (c) General debate followed by decision.

N.B. – The “Call In” Members are not allowed to participate in the general debate.

- 6.2 It is open to the Committee to either resolve to take no action which would have the effect of endorsing the original Cabinet decisions, or the Committee could refer the matter back to the Cabinet for further consideration setting out the nature of its concerns and possibly recommending an alternative course of action.

7. RECOMMENDATION

- 7.1 That the Committee consider the contents of the attached report, review the Cabinet’s provisional decisions arising and decide whether to accept them or refer the matter back to Cabinet with proposals, together with reasons.