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CORRESPONDENCE FOLLOWING THE COMMITTEE MEETING

Committee POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

Date and Time of Meeting WEDNESDAY, 18 APRIL 2018, 6.00 PM

Please find below correspondence send by the Committee Chair following the meeting, together with any responses received.

For any further details, please contact scrutinyviewpoints@cardiff.gov.uk

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My Ref: T: Scrutiny/PRAP/Com Papers/ Correspondence

Date: 19 April 2018

Neil Hanratty
Director of Economic Development
County Hall
Cardiff
CF10 4UW



Dear Neil,

**Policy Review & Performance Scrutiny Committee:
Call in of Officer Decision SED/PR/29303**

Thank you for attending Committee on 18 April 2018, along with Councillor Russell Goodway, Cabinet Member Investment and Development and Helen Thomas, Strategic Estates Manager, to facilitate the Council's call in procedure in relation to decision SED/PR/29303 – Disposal of Wedal Road HWRC, Cathays, Cardiff.

As Chair, the Members of the Policy Review & Performance Scrutiny Committee have asked me to advise you that, following its scrutiny of the above decision, the Committee is referring the decision back to the decision-maker for further consideration.

Having considered the decision, all Members of the Committee have had an opportunity to express their views, and in referring the decision back the Committee wishes to raise the following concerns. We would ask that before adopting a final decision you reflect on our concerns.

- Members were unanimous that officers have followed the appropriate protocol in taking this decision. However, several Members highlighted that there may be potential to reconsider the disposals protocol, and as such, we would encourage you to undertake a review as a matter of urgency.
- We acknowledge your explanation that Council procedures require that you are legally restricted to one valuation. However, procedures should be for guidance and we consider it disconcerting there has been no active

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seeking of additional valuations. We will be exploring with the Director of Legal and Governance, independently of this call-in, whether this restriction needs to be re-considered, to ensure the Council is supported in its need to maximise income from disposals.

- Members noted the clear process the Council's Asset Management Board follows in disposing of land and property (Council use; HRA; public sector partners; open market); we also acknowledge the Council's responsibility to consider social benefits, the need to operate within Welsh Government guidelines, and to work with partners on asset disposal matters. We understand the importance of public sector partnership relations, and that overall the Council benefits from good relations in equal measure. However, we consider that in this specific case wider marketing to potentially interested parties such as housing associations would still be appropriate.
- A number of members considered that the land at Wedal Road should not have been removed from public auction given the pressing need for the Council to deliver £40million from disposals in 2018/19. A further option to maximise income to the Council would be to take the property to public auction with a higher reserve.

We look forward to being advised of the outcome of further consideration in light of our comments. Once again thank you for your co-operation in facilitating a frank and open discussion on the matter.

Yours sincerely



COUNCILLOR DAVID WALKER
CHAIR, POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE

cc Councillor Russell Goodway, Cabinet Member Investment and Development
Councillor Lyn Hudson, Ward Member, Heath
Councillor Joel Williams, Ward Member Pontprennau and Old St Mellons
Councillor Fenella Bowden, Ward Member Heath
Councillor Adrian Robson, Ward Members Rhiwbina
Helen Thomas, Strategic Estates Manager
Members of the Policy Review & Performance Scrutiny Committee
Joanne Watkins, Cabinet Office Manager

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Date: 24 April 2018



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Davina Fiore,
Director Governance & Legal,
Cardiff Council,
County Hall,
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CF10 4UW

Dear Davina,

You will have been informed that last week's call in to the Policy Review and Performance Scrutiny Committee of officer decision SED/PR/29303 – Disposal of Wedal Road HWRC, led to the decision being referred back to the decision maker.

During the scrutiny Neil Hanratty, Director of Economic Development, confirmed that Council procedures confine him to one independent valuation when disposing of council land and property. He expressed some frustration about this protocol, and the Committee decided that I should write to you separately to express our concern about this restriction, which could lead to the council undervaluing its assets when disposing of them.

The Committee's view was that the Director should have the authority to seek more than one independent valuation, particularly when the asset is substantial or where there has been political challenge and community concern. Our view is that this restriction needs to be re-considered, to ensure the Council is supported in its need to maximise income from disposals.

I, and the Committee, look forward to hearing your view on how this matter might be considered and the protocol potentially amended. I look forward to your response.

Yours sincerely,

COUNCILLOR DAVID WALKER
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Members of the Policy Review & Performance Scrutiny Committee
Paul Orders, Chief Executive
Neil Hanratty, Director of Economic Development