

SPECIAL COMMITTEE

MONDAY, 23 FEBRUARY 2009

PRESENT:- Councillors Roderick Bluh (Chair), Fionuala Foley (Vice-Chair), Fay Howard, Brian Mattock, David Renard and Martin Wiltshire (Deputy).

Apologies for absence were received from Councillors Stan Pajak and Kevin Small.

18. Declarations of Interest

The Chair reminded Members of the need to declare any known interests in any matters to be considered at the meeting.

19. Minutes

Resolved – That the minutes of the meeting held on 19th December 2008, be confirmed and signed as a correct record.

20. Public Question Time

No public questions were asked under Standing Order 28.

21. Exempt Items - Exclusion of Press and Public

Resolved – That, in accordance with Section 100A(4) of the Local Government Act 1972, the public be excluded during the discussion of the matters referred to in Agenda Item No. 6 of the Notice of the Meeting on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act, and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information concerned. (Minute 22 refers.)

22. Wichelstowe - Renegotiating the Collaboration Agreement

The Wichelstowe Project Director and the Group Director, Business Transformation submitted a joint report concerning the outcome of negotiations undertaken with Taylor Wimpey Ltd. since the last meeting of the Committee on 19th December 2008, on the proposed terms and conditions of a revised Collaboration Agreement between Swindon Borough Council and Taylor Wimpey Ltd. as co-developers of the Wichelstowe site.

Mr. John Whiteoak, Wichelstowe Project Director, explained the reasons why it had not been possible to reach agreement with Taylor Wimpey Ltd. by 31st December 2008, and the discussions that had taken place since to enable an agreement to be reached. He commented on the current proposals to revise the Wichelstowe Collaboration Agreement to protect the Council's interests. He explained the basis of the revised agreement and the financial implications for the Council. He explained how the proposals differed from those put forward in December 2008, and commented that, in his view, they still offered a solution that would meet the requirements of both parties. He responded to questions from Councillors regarding the terms of the agreement, and the implications for the

Council's finances and the future development of Wichelstowe. He commented on the potential risks for the Council associated with the revised arrangements, which, he believed, were outweighed by the risks of not proceeding with the proposed revised agreement at this time. He believed that it remained in the best interests of the Council to progress the proposals at this time given the current market conditions.

Resolved – That the Director of Law and Democratic Services be authorised to enter into an amended Collaboration Agreement for the Wichelstowe Project, together with any other necessary documentation, on terms to be concluded in consultation with the Director of Finance and the Director of Property and Assets and the relevant Cabinet Member, to effect the following:

- 1) Completion of the agreement and related transactions as soon as practicable, subject to agreement on the terms outlined below, and the supporting documentation.
- 2) Taylor Wimpey Ltd. to return to the Council the freehold interest of all land transferred under the terms of the Collaboration Agreement and for there to be no further transfers.
- 3) A relaxation of the restrictions on the Council releasing land for development.
- 4) Taylor Wimpey Ltd. to pay the Council £5m as part of the compensation for releasing them from the Collaboration Agreement, and the Council will pay £5m at the same time as part of the clearing of balances on the Developer Account and agreeing a settlement for returning land.
- 5) Taylor Wimpey Ltd. to pay the Council a further £7m on a date to be agreed, in compensation for releasing them from the Collaboration Agreement financing arrangements. Penalty and interest charges to form part of the agreement in the event of the payments not being made on the due date, which will be linked to the phasing of work forming part of Contract 4.
- 6) The Council to take over responsibility for financing further costs, with effect from 1st January 2009, including Primary Infrastructure Works, Section 106 contributions and any directly associated commuted sums. The Council to also reimburse any sums incurred and charged to the Development Account by Taylor Wimpey Ltd. since 1st January 2009.
- 7) If appropriate, the payment of liquidated damages and/or 'step in' rights if the Council does not achieve agreed delivery targets within Contract 4.
- 8) The Council to take over the managing, planning and phasing of the development of the remainder of the site.