

Issue	Conclusion	Recommendation	CYC Action
Nature of the partnership	The Council did not clarify the nature of the partnership as it was established, which exposed it to legal and financial risks. Fundamental changes in the nature of the relationship, and how the land was to be disposed of were not overtly approved by Members in a timely manner.	The Council should ensure that arrangements are in place to establish formal agreements for all material partnerships clarifying expected outcomes, financial commitment, required governance arrangements and legal implications.	This work is being taken forward by PIT and Finance in the form of a Partnership register. Guidance will be produced as a further development of this work
Selection of JRF as partner	There was no competitive process to select JRF. The Council did not set objectives for the partnership which could be translated into assessment criteria. The Council did not therefore demonstrate that Best Value or sound governance was achieved through the selection of JRF. Although the Council cannot demonstrate that JRF was the sole provider it has set out a strong case based on qualitative issues: - links with the City - international reputation - unique skills re generating cohesive societies.	The Council should ensure that current arrangements for the selection of a preferred partner are satisfactory and operate effectively throughout the Council.	This will be covered by the work referred to in the action above. The requirement to select partners properly will be included in the Council's Procurement Strategy
Lawfulness of selection	The Council has demonstrated that it has not acted unlawfully by not advertising the works in OJEC. The costs of the partnership form part of the costs of the disposal. Regulation 6 of the Public Services Contracts Regulations 1993 provides that the regulations shall not apply to the seeking of offers for the acquisition of land. However, this was not done at the time of entering into the transaction.	The Council should ensure that it has adequate arrangements to inform Members of the legal framework within which they are making a decision.	The revised report writing protocol being developed alongside the New Constitution, will clarify requirements
Best consideration	Audit work has not identified evidence of unlawful activity by the Council (it has not yet sold the land). Again the requirement of s123 of the 1972 Local government to achieve best consideration for the sale of an asset has not been set out to	See above	The Council will be seeking Secretary of State consent once the scheme has got past public enquiry stage in summer 2006

	Members as they made the decision to engage with F		
Value of the legal charge	The Council signed a Legal agreement with JRF in September 2002. This sets out the expected outcomes from the partnership, and what costs are allowable. The use of open book accounting allows the Council to review the costs charged to the project by JRF. The Legal agreement includes a Legal Charge payable to JRF if the Council reneges on the agreement to sell the land. If the Legal Charge has to be invoked the costs incurred will have supported an alternative disposal. Audit work has not found evidence that the Council has acted unlawfully or unreasonably by entering into this agreement.		
Profit share agreement	The Council has agreed to sell the land to JRF for £8.5m. Any profits in excess of this achieved by JRF from the sale are to be shared equally with the Council. However there is currently no agreement as to what costs can be charged against this profit.	The Council should ensure that if the sale to JRF proceeds the costs charged against the profit are agreed.	Bill Woolley will ensure that a basis for which costs can be charged against the receipt, is put in place by April 06
Consultation	A formal selection process for the design of the future development was undertaken. This process was undertaken by a working group of 12 people, 4 Councillors, 4 JRF staff and 4 from the Community Panel. Therefore community views were effectively fed into this process.		
Model village approach	The Council has been overt since the inception of this sale that it was repared to accept a substantially reduced receipt to facilitate a "model village" development. However it has not quantified how this achieves the Council's objectives	The Council should ensure that it has arrangements to demonstrate how key policy decisions support the achievement of its objectives e	Clear links to some council policies such as affordable housing, sustainability, safe homes and open space were demonstrated in the reports that were presented to members, but it is accepted that these were too vague and that clearer links to policy objectives need to be included in reports. Again the report writing protocol will provide guidance to address this issue in the future

