



# Minutes

Name of meeting	<b>SPECIAL CORPORATE SCRUTINY COMMITTEE</b>
Date and Time	<b>MONDAY 28 SEPTEMBER 2020 COMMENCING AT 3.00 PM</b>
Venue	<b>VIRTUAL (MS TEAMS)</b>
Present	Cllrs R Hollis (Chairman), D Andre, V Churchman, S Hendry, J Hobart, J Jones-Evans, M Lilley and C Quirk
Cabinet Members	Cllrs Paul Brading, Steve Hastings, Stuart Hutchinson, Dave Stewart, Brian Tyndall, Councillor Ian Ward and Wayne Whittle
Also Present	Cllrs G Brodie, A Garratt Christopher Ashman, John Metcalfe, Paul Thistlewood, Megan Tuckwell, Chris Ward and Geoff Wild
Apologies	Cllr G Kennett (Co-opted)

---

## 1. **Declarations of Interest**

Cllr Lilley declared an interest in Minute 20 as a trustee director of Wight Community Energy.

## 2. **Call In - Cabinet Decision 21/20 - Loan Investment in Perpetuus Tidal Energy Centre (PTEC)**

The Committee considered the call in of the decision taken by the Cabinet on 10 September 2020. The chairman reminded those present that the Committee could make recommendations or comments to the Cabinet but were unable to amend the decision.

Cllr Michael Lilley, as the lead member, presented the reasons for the Call-In. At its meeting on 8 September 2020, the Corporate Scrutiny Committee supported the recommendation that the Cabinet make no further investment in PTEC at this time, and to authorise PTEC to raise the required funds by selling up to two thirds of the council's shareholding in the company.

At the meeting of the Cabinet on 10 September 2020, additional information regarding the relaxation of loan conditions was made available to the Cabinet and a further recommendation was made; that the council's original loan term be extended for five years, be repayable alongside the other loan which capitalised the company, and the council release its position on the PTEC Board subject to additional funding being secured.

It was believed by Councillor Lilley that if the Corporate Scrutiny Committee had been given the additional information it could have affected its decision to support the proposals. Concerns were raised that the Council may be at risk of judicial review as it was unclear whether there had been sufficient consultation and whether correct procedures were followed.

The Lead Member advised that the intention of the Call-In was to fully scrutinise the information that was not originally provided, and to overcome any concerns that the decision would result in the misappropriation of Council funds in favour of a private company, without scrutiny or consideration of supporting information.

Reference was made to a series of questions that had been submitted prior to the meeting. These questions and their responses are attached as Appendix 1 and form part of these minutes.

The Monitoring Officer confirmed that the decision taken by the Cabinet was lawful. The Director of Finance and Section 151 Officer confirmed that the decision was within the Council's Policy Framework and budget. A statement was provided and is attached as Appendix 2 and forms part of these minutes.

The Leader and Cabinet Member for Strategic Partnerships responded to the statement made by those Calling-In the decision and outlined how and why the Cabinet made its decision. It was advised that a decision to do nothing was likely to lead to the demise of the PTEC project, and without significant progress there was a risk that the project would collapse, along with the loss of the council's existing £1 million investment.

Members of the committee raised questions on a number of issues which included the relaxation of the loan conditions, a change to the project's terms and conditions, and access to EU funding. Clarification was provided by the Leader, the Cabinet Member for Business and Regeneration, the Section 151 Officer and the Chief Executive.

The lead member for the Call-In sought the support of the committee to recommend that the Cabinet not change the terms of the existing loan in any way; and continue to have a place on the Board until an independent report provides evidence that changes to existing arrangements would be of benefit to the Council and Island residents in ensuring the loan is secure, would be repaid, Island interests be protected, and the promised benefits be realised.

The recommendation was lost, and the chairman sought an alternative recommendation. Following discussion, a vote was taken, and it was;

RESOLVED:

THAT the decision taken by the Cabinet continue to be supported.

CHAIRMAN