

## **SUMMARY**

### **Summary of Report 2/2017, relating to the Urban Planning Consortium Gateway to the Costa Brava – Precinct of Blanes, year 2015**

*Barcelona, 12 April 2017*

The Public Audit Office for Catalonia has issued Report 2/2017, relating to the Urban Planning Consortium Gateway to the Costa Brava – Precinct of Blanes (*Consorti Urbanístic Portal Costa Brava – Illa de Blanes*), financial year 2015, in accordance with its Annual Programme of Activities.

This report, which was presented by Board Member Mr Jordi Pons i Novell, was approved by the Audit Office Board at its meeting on 17 January 2017.

The audit undertaken included an analysis of activities by the Urban Planning Consortium Gateway to the Costa Brava – Precinct of Blanes (the Urban Planning Consortium) from its creation and an analysis of its financial situation. Because the Urban Planning Consortium arose out of the transformation of the Gateway to the Costa Brava – Precinct of Blanes Consortium (the Consortium) and cannot be comprehended without reference to its predecessor, information was also obtained relating to this Consortium from its inception until it was converted into the Urban Planning Consortium.

The Board of Management is the organ in overall charge of the Urban Planning Consortium; it is composed of four representatives from the Catalan Government and three from Blanes Town Council. Its chairman is the Mayor of Blanes.

The Consortium was set up in 2002 to develop the *Illa de Blanes* (Precinct of Blanes) project, which involved two undertakings: on the one hand developing an area in the centre of the town known as the *Illa de Blanes* where a new town-centre area was to be created, which was intended to be a leisure and information complex for the 21st Century; and on the other hand, it meant constructing a new sports area where several sports facilities could be relocated which were currently taking up part of the *Illa* site. Both undertakings were also connected in terms of financing, because the proceeds to be obtained from the urban development of the *Illa* precinct were to be used to return the loan from the Catalan Finance Institute (ICF) arranged to enable construction of the Sports Complex (*Ciutat Esportiva*).

As soon as the Consortium was set up, development work for constructing the Sports Complex was started. In 2004 the Catalan Government commissioned its construction enterprise GISA (now Infraestructures de la Generalitat de Catalunya, SAU) with carrying out the construction project, which was begun in January 2006, with a planned execution time of eighteen months, but which extended until March 2010. The building costs came to €30.56m.

Meanwhile, several studies were carried out relating to the composition of the *IIIa* project, and it was presented to potential investors, but no arrangements were ever finalised. Various modifications were made to the Municipal Urban Zoning Plan (POUM), the last of which was approved in March 2013 and envisaged drawing up an Urban Improvement Plan, which was not carried out. In addition, the last financial studies carried out indicated that the urban development proceeds which could be obtained from the *IIIa* precinct would not be sufficient to generate the resources needed to return the €30.00m loan from the ICF; other development revenues would need to be included.

Apart from this loan, over the 2002 to 2010 period the Catalan Government and Girona Provincial Council made monetary contributions to the Consortium's budget, respectively totalling €8.44m and €1.62m.

The Consortium's inability to meet the financing costs of the loan from the ICF led to the Catalan Government agreeing in 2008 to authorise expenditure commitments payable in future years totalling €52.27 m (principal of €30.00m plus €22.27 m in interest payments). Each year the Catalan Government makes the payments to the ICF.

In year 2015 the First Minister's Department (*Departament de la Presidència*) bore the interest payments of €685,174, and the government department in charge of the economy and finance met the loan repayments of €747,614.

The Conclusions section of the report presents the most significant findings arising from the audit carried out, of which the following can be highlighted:

- The Consortium's Statutes in force in July 2010 established a right of withdrawal for member institutions such that, in the event of the Consortium having arranged loans with a financial institution in order to pursue its aims, to exercise this right of withdrawal their part of the outstanding debt needed to be returned pro rata. However, Girona Provincial Council and La Selva County Council withdrew from the Consortium without paying any amounts for the loan the Consortium had arranged with the ICF.
- Blanes Town Council made no monetary contributions to the budgets of either the Consortium or the Urban Planning Consortium since they were set up.
- The current urban zoning situation and the absence of any activity by the Urban Planning Consortium mean that the chances of generating income to enable the return of funds advanced by the Catalan Government to pay off the ICF loan are highly questionable.

This summary is solely for information purposes. The audit report (in Catalan and Spanish) can be consulted at [www.sindicatura.cat](http://www.sindicatura.cat).