

EXECUTIVE

Minutes of a meeting of the Executive held in the Council Chamber, Civic Centre, Consett on Monday 28 June 2004 at 4.30 pm.

PRESENT

Councillor A Watson, (Chair)

Councillors W Armstrong, C Christer, O Johnson, D G Llewellyn, M. J. Malone and A Taylor.

IN ATTENDANCE

Councillors R. Ord, J Pickersgill and W J Tyrie.

APOLOGIES FOR ABSENCE

An apology for absence was submitted by Councillor J Huntley.

13. MINUTES

Provided the following paragraph is added prior to the **RESOLVED:** for Minute Number 12 – Orwell Gardens, Stanley, the minutes of the meeting held 7 June 2004 be agreed as a correct record.

Considerable debate took place regarding the proposals and that acceptance of the Paragon offer was conditional upon satisfactory negotiations relating to a covenant being agreed limiting the use of the site and defining any 'claw-back' of value, a jobs guarantee, the value and extent of the site in addition there was also discussion on training issues relating to skilled jobs.

14. ANNUAL REPORT 2003/04 – REVIEW OF THE COUNCIL'S CORPORATE PLAN

Councillor M Malone presented the Annual Report on the Council's progress against its Corporate Plan in 2003/04. The addendum to the report provided Members with an update of performance for the year end Performance Indicators 2003/04, details of action planning required for those poorly performing indicators for 2004/05 and targets for 2004/05, 2005/06 and 2006/07.

Option: Whether to approved, reject or amend the changes proposed to the Corporate Plan 2004/05.

RESOLVED: That the progress made on the Corporate Plan in 2003/04 as detailed in the report be noted and the following issues be agreed:-

- The vision for the Council as detailed in the report. .
- The priority objectives for 2004/05 be amended as detailed in the report.
- The progress made on performance against targets and the overall progress of the Council as detailed in the report. be noted.
- The content of the Corporate Action Plan contained in Appendix 2 of the report which builds upon the Improvement Plan developed after the Comprehensive Performance Assessment and contains the major actions of corporate significance contained within the service plans.

Reasons:

- (1) Changes to regulations have allowed Councils categorised as 'good or excellent' to dispose with the publication of a Best Value Performance Plan and to report on performance through their Corporate Plan.
- (2) Analysis of the consultation data of the BVPI survey revealed that priorities for members of the public were:
 - Increasing the community's opportunity to influence decisions, and
 - working to improve care and support for vulnerable groups

15. DEVELOPMENT OF BUDGETARY CONTROL PROCESS

Councillor A Watson presented the report which informed Members of changes to the budget monitoring arrangements within the authority. The changes related to an extension of the process rather than a replacement and the objective was to focus on those areas of the authority's budget which have the potential to produce the biggest variances.

Option: Whether to agree, reject or amend the proposals in the report regarding changes to budget monitoring arrangements within the authority.

RESOLVED: that the proposals for monthly monitoring reports on the following issues be agreed:-

- A summary level analysis of salary variances across the board, highlighting significant amounts and showing the progress towards achieving the £100,000 saving.
- Analysis of the top ten fees & charges budgets
- Analysis of the top ranked expenditure areas.

Reason: A monthly snapshot of these budgets will identify significant variances at an early stage allowing remedial action to be effected and giving managers a better chance of planning strategies to cope with the over or under spends.

16. INDEX OF MULTIPLE DEPRIVATION 2004

Councillor A Taylor presented the report which informed Members of the content of the Index of Multiple Deprivation (IMD) 2004. She also advised that since the production of the report, the Office of the Deputy Prime Minister had published a revised index which was detailed in an addendum to the report. The revisions related to the Crime and Disorder and Living Environment Domains and consequently to the overall IMD data for each Super Output Area and the District as a whole. The revised data had been analysed and the changes relating to Derwentside had been included in an addendum to the report which replaced the information in the original report.

Option: To consider the Index of Multiple Deprivation produced by the Office of the Deputy Prime Minister.

RESOLVED: that:-

- (1) The improvements made by the Council be noted.
- (2) A press release be issued advising of the improvements made by the Council.

Reason: In order to publicise of the improvements made by the Council.

17. REDEVELOPMENT OF STANLEY BUS STATION

Councillor D. G. Lewellyn advised that this was the first report on progress since the Executive confirmed that this authority would act as lead authority on the development of the new Bus Station at Stanley. An addendum to the report was also considered which updated Members on Quantity Surveyor costings received on 18 June 2004 and updates to the

budget and financial requirements. Although the Q.S costings and valuations were now available for all the main elements of the project the actual costs would only be determined once requisite tendering and disposal/acquisition negotiations were completed. The costings and valuations would allow for revised full application for Single Programme funding to be submitted.

Scrutiny Board had agreed to support the recommendations included in the addendum report however, they expressed serious concerns at escalating costs and potential for additional costs as a consequence of the tendering process. They therefore requested regular updates in respect of costings of the development.

Options:

- (1) Whether to agree, reject or amend the proposals in the addendum report to accommodate revised costings with Council budget.
- (2) Require a re-specification and redesign of the scheme.

Councillor Llewellyn highlighted that it may be possible to commence the project slightly earlier than the projected January 2005 start and requested Members' views on how prudent it would be to close off the Mary Street Car Park and commence construction and road diversions just before the busy Christmas trade.

Lengthy discussion took place on this issue and Councillor Watson advised that whilst he wanted the project to commence as soon as possible, he did not want to disrupt the car parking arrangements for the Christmas shopping period.

Councillor Taylor commented that as long as there were no outstanding Health and Safety issues she would like the project to go ahead as soon as possible.

Councillor Malone commented that in order to make an informed decision, a risk assessment was needed on the number of weeks prior to the Christmas work would be able to commence.

Councillor Llewellyn then advised that for the first time, comprehensive Q.S costings and valuations were now available for all main elements of the project. It was pointed out that only as a result of work by Officers of Derwentside had it been discovered that there were inaccuracies in the original costs produced by the consultant and if the project was to proceed additional resources were required.

Councillor Llewellyn then requested Executive's views on whether or not to include retail units in the Gateway to the development. Discussion took place on whether the units would be lettable and The Divisional Head of

Land and Property advised that he had received expressions of interest for the bus station units. Councillor Watson suggested that market testing was needed to identify interest in the units and any revenue return anticipated he therefore suggested that the issue be re-visited at a future meeting

Councillor Malone also noted the need for a public information board to be erected allowing the public track to progress, as well as a clearer definition of any additional CCTV costs.

RESOLVED: that:-

- (1) Additional capital funding as detailed in the report be agreed towards the Stanley Bus Station project.
- (2) A Risk Assessment on the proposal to start the work prior to the Christmas period be produced.
- (3) The issue of the Bus Station units to be re-visited at a future meeting.

Reasons:

- (1) Comprehensive Q.S costings and valuations were now available for all main elements of the project.
- (2) The funding position of Durham County Council on elements of the scheme has now been clarified.
- (3) This will allow for the implementation of an agreed scheme to an agreed standard within the shortest possible timescale.
- (4) This will support the delivery of a project with high design quality which will help to improve the viability and vitality of Stanley town centre.

18. DISPOSAL OF OLDER INDUSTRIAL PORTFOLIO

Councillor A Watson presented the report which advised Members of the options available for the future of the Council's older Industrial Portfolio.

Options:

- (1) Retain the portfolio.
- (2) Declare the Portfolio surplus to requirements and advertise the Portfolio with the exception of the Gatehouse Estate on the open market inviting bids.

Councillor Watson commented that this issue needed further investigation and suggested that this report be forwarded to the Economy Scrutiny Panel to consider and evaluate each site in more depth, evaluate the current use/possible alternative uses for the sites together with the

advantages and disadvantages for options for future uses and report the proposals back to the Executive.

RESOLVED: that the report be forwarded to the Economy Scrutiny Panel for a more in-depth evaluation of the current and possible alternative uses for the sites together with the advantages and disadvantages of each of the proposals and report the findings back to the Executive.

Reason: To enable Scrutiny to investigate in-depth possible alternative uses for the sites as detailed in the report.

RESOLVED: on the motion of Councillor W Armstrong seconded by Councillor D Llewellyn that under Section 100(A)(4) of the Local Government Act 1972: the Press and Public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1, 7, 8 and 9 of schedule 12(A) of the Local Government Act 1972.

19. LAND AT LOW WESTWOOD – PROPOSED MEDICAL CENTRE

(Not for publication by virtue of paragraphs 7 & 9)

Councillor A Watson presented the report, which considered a request to dispose of land in Low Westwood.

Options:

- (1) To refuse to sell the Council's freehold interest in the site.
- (2) To sell the freehold interest in the site at a price which reflects its full market value.
- (3) To sell the freehold interest in the site at an under-value as detailed in the report
- (4) To sell the freehold interest in the site, if necessary at an under-value, subject to justification being provided as detailed in the report

RESOLVED: that Option 3 in the report be agreed, the Council sell its freehold interest in the site for the sum as detailed in 3.6 (III) of the report.

Reason: The Council wishes to ensure that development of a new G.P facility at Low Westwood is secured.

20. REVIEW OF REVENUES AND BENEFITS ESTABLISHMENT

(Not for publication by virtue of Paragraph 1)

Councillor A Watson presented the report, which considered the role and management of the visiting officers within the Revenues and Benefits Division. A previous report to Executive in December 2003 had reviewed the Revenues and Benefits establishment however the issue of visiting officers had been unresolved.

Option: Whether to accept, reject or amend the recommendations in the report regarding the Revenues and Benefits Division.

Councillor Watson commented on the improved performance of the Revenues & Benefits Division and congratulated all staff on their achievements. Councillor Malone expressed appreciation to staff for the running of the MARC vehicle.

RESOLVED: that the additional two posts as outlined in the report including the job descriptions and grading be agreed.

Reasons:

The role of the visiting officer has changed considerably and include:-

- (1) The Government has abolished the requirement for Housing Benefit customers to renew their claim each year. In its place there is a review process. This process will be tailored around identifying the claims, which are most at risk of having a change of circumstance and undertaking checks to ensure the claim is correct.
- (2) The use of the MARC vehicle and associated technology will allow the visiting officers to collate information to assess new claims or review the claim, and eventually assess claims at the point of contact, whether on the vehicle or in the claimants home. The shorter processing times will contribute to minimising overpayments which would otherwise lead to loss of subsidy.
- (3) An employee of Durham County Council Welfare Rights is to be seconded to the Revenues and Benefits Division. The role of this officer will be to work on 'Take Up' campaigns within Derwentside, working with the Visiting Officers, the Primary Care Trust and others to ensure as many residents as possible are receiving all the Benefits they are entitled to.

21. ESTABLISHMENT OF PROCUREMENT TEAM

(Not for publication by virtue of Paragraphs 1, 8 and 9)

Councillor M Malone presented the report, which requested Members consider the establishment of a Corporate Procurement Team.

He further advised that the Council had already adopted the Corporate Procurement Strategy and requested that Officers be made aware of and works towards the aims of this strategy.

Options:

- (1) Adopt the proposals in the report to establish a Corporate Procurement Team.
- (2) Require an alternative structure to be developed/adopted.

RESOLVED: that a Corporate Procurement Team as detailed in the report together with appropriate budgetary provisions be agreed.

Reason: The proposed Team would most appropriately support improvements in service efficiency and effectiveness of a Corporate Procurement Strategy

22. MEDIUM TERM FINANCIAL PLAN

(Not for publication by virtue of paragraph 8)

Councillor Watson presented the report, which gave an update of the authority's medium term financial plan to take full account of the decisions taken as part of the 2004/05 budgets. Issues considered within the Strategy included Council Tax, Housing Revenue Account and the latest Government Spending Review.

Option: Whether to agree, reject or amend the proposals in the report for the Medium Term Financial Plan 2005/06 to 2007/08

Councillor Watson highlighted the issue of the Licensing Act and the impact this would have on local authority resources. Lengthy discussion took place on the implications of this Act and the fact that only limited Government resources were likely to be made available to help Councils implement the system, this in effect meant that local taxpayers were subsidising the Licensing system and therefore the sale of alcohol.

Councillor Watson suggested that Portfolio Holders discuss their ideas or suggestions for achieving reduced costs for the budget whilst still achieving corporate goals.

RESOLVED: that:-

- (1) The information contained in the report regarding the Medium Term Financial Plan 2005/06 to 2007/08 is noted.
- (2) Members reaffirm their commitment to Council Tax increase for 2005/06 as detailed in the report.
- (3) Each Portfolio Holder to discuss views/ideas with Directors on the various options for reducing or bridging the deficits identified over the life of the plan.

Reason: The Council needs to create the ability to not only achieve existing spending patterns but also to meet additional spending pressures and priority investment.

23. TOMMY ARMSTRONG CENTRE – SUB-LEASE

(Not for publication by virtue of paragraphs 7 & 9)

Councillor A Watson presented the report, which advised Members of a proposed use of the Tommy Armstrong Centre by Derwentside CVS and to seek approval to take appropriate action in favour of such a use. The report detailed the legal advice taken in order to progress the proposal to sub-lease the property.

A letter had been received subsequent to the preparation of this report from the Landlords Solicitors advising that the Landlord was prepared to agree to the proposed sub-letting provided the sub-lease does not contain any reference to the Council's contribution to the sub-tenant for the running costs of their charitable affairs.

Options:

- (1) Withdraw from the subletting to the CVS and re-advertise the Council's leasehold interest in the property on the open market.
- (2) Proceed with the subletting to the CVS and take the risk of the landlord taking action against the Council through the Courts. This would be subject to the agreement of the CVS.
- (3) Proceed with legal action to try to obtain a final resolution as to the reasonableness of the landlords requirements
- (4) Accept the landlord's proposal of renegotiating the rent review provisions of the lease.

RESOLVED: that:-

- (1) Subletting to CVS be entered into at a rent as detailed in the report with the Council also granting the CVS a subsidy as detailed in the report towards general operating costs throughout the term of their subletting. The Divisional Head of Land and Property to negotiate and conclude all other terms and conditions in the best interests of the Council, specifically including the provision that either party should have the right to break the lease on giving reasonable notice,
- (2) In the event that the landlord should formally oppose the subletting to CVS, the Divisional Head of Land and Property and the Head of Legal Services shall be authorised to take further action through the Courts to try to resolve this matter.
- (3) Should court action not be successful, or advice is received that continuation may well not succeed, officers should be given authority to start negotiations with a view to accepting, in principle, the landlord's proposals regarding the amendments to the rent review provisions.

Reasons:

- (1) This course of action is considered the most appropriate in:
 - Seeking to bring a redundant town centre building back into active use to the benefit of the local community.
 - Ensuring that the financial burdens placed on the Council, and any sub-tenants, are not unreasonable, and
 - Represents the optimum balance between progressing this issue as quickly as possible whilst allowing for proper legal processes to be pursued.

CONCLUSION OF MEETING

The meeting closed at 5.44 pm.

Chair.