

EXECUTIVE

Minutes of a meeting of the Executive held in the Council Chamber, Civic Centre, Consett on Monday, 11th April 2005 at 4.30 p.m.

PRESENT:

Councillor A. Watson, Chair.

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

IN ATTENDANCE

Councillors W.J. Tyrie and J. Pickersgill.

134. SCRUTINY BOARD DEBATE

A list of items discussed at Scrutiny Board was presented, the Chair advised that the comments would be referred to as each agenda item was discussed. The Executive made no additional observations.

RESOLVED: that the content of the Scrutiny Board debate be noted.

135. MINUTES

RESOLVED: that the minutes of the meeting of the 8th March, 2005 be approved and adopted.

136. DISPOSALS OF LAND AND PROPERTY AT AN UNDERVALUE

Councillor Huntley presented the report, which put forward proposals for a protocol to deal with disposals of land and property at an undervalue.

Councillor Huntley made reference in relation to any proposals to dispose of assets at less than the best price obtainable, need to have a clear justification and decision-making route.

Members were advised that the generation of capital receipts through the disposal of unrequired land and buildings is fundamentally important to the authority.

Option: Whether or not to adopt the policies and protocols as set out in the report.

RESOLVED: that the content of the report is noted; and the policies and protocols set out in the report be adopted.

Reason: To demonstrate that the authority is dealing with its assets on a reasonable, consistent and policy led basis, in line with good asset management and risk management practice.

137. LETTINGS TO COMMUNITY GROUPS AND CHARITIES

Councillor Huntley presented the report, which asked Members to consider options for implementing a protocol for dealing with lettings to community groups and charities.

Members were advised that throughout the district, there are a number of charities and community groups, which work alongside the authority to support services and provide locally managed activities. It was further advised that such organisations are often poorly resourced and working within a remit to ensure that any income they receive is directed at their target audience and that overheads are kept to a minimum.

Members were then advised of the protocols available for dealing with lettings to community groups and charities.

Option: Whether or not to agree the protocol as detailed within the report to be adopted for dealing with lettings to community groups and charities.

RESOLVED: that the protocol contained within the report be adopted.

Reason: To allow the authority to maintain good asset management planning.

138. DERWENTSIDE LEISURE LIMITED - PENSIONS

Councillor Huntley presented the report, which asked Members to consider options in dealing with a major issue affecting the pension costs of Derwentside Leisure Limited.

Members were advised that the tri-annual review of the pension fund had recently been completed. Members were advised of a significant fall in funding levels since 2001.

Councillor Huntley went on to advise Members of the reason for the fall in the rate of return earned on investment and in addition stated that the Actuary and County Treasurer had agreed on a 22-year recovery plan.

Councillor Watson referred Members to the comments made by Scrutiny Board and advised that a report regarding the trading position would be considered at a future meeting of Overview and Scrutiny.

Options: Members were advised that discussion with the fund administrator and County Treasurer identified the following options.

- (1) Extension of the Lease Agreement
- (2) Guarantee from Derwentside District Council
- (3) Merger
- (4) Changing the agreement from an open and closed agreement

RESOLVED: that:-

- (1) Option 2 as detailed above be approved.

Reasons:

- (1) The cost of a shorter-term recovery plan would create major financial problems for Derwentside Leisure Limited.
- (2) These could impact on service delivery and lead to a request for additional funding from the district council.
- (3) The current indemnity bond is not adequate and funding requirements are not realistic.

139. EXCLUSION OF PRESS AND PUBLIC

RESOLVED: on the motion of Councillor W. Armstrong, seconded by Councillor D.J. 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 Paragraph 9 of Schedule 12(A) of the Local Government Act 1972.

140. LEASE OF LAND AT RAILWAY TERRACE CRAGHEAD

Councillor Huntley presented the report, which sought to obtain authority to lease, at a peppercorn rent, approximately 3.4 acres of land adjacent to Railway Terrace, Craghead, to the Craghead Area Partnership in order to provide a community play park.

Councillor Watson noted concerns raised by Councillor Pickersgill via Scrutiny Board.

Options:

- (1) Let the land to the partnership with a 12-month break clause.
- (2) Let the land to the partnership without a 12-month break clause.
- (3) Retain the land as a public open space.

RESOLVED: that option 1 be approved, - let the land to the partnership with a 12-month break clause, subject to the partnership giving the Council 3 months notice to break. In order to accord with the Council's play strategy, the partnership will however be obligated to reinstate the site to its original condition upon termination of their interest.

Reason: To allow the partnership to develop a play park thereby providing a valuable facility for local residents.

141. DISPOSAL OF OLDER INDUSTRIAL PORTFOLIO

Councillor Huntley presented the report, which advised of the options for the future of the Council's older Industrial Portfolio.

Members were advised that the issue had previously been considered at a meeting of the Executive in June 2004, whereby a decision as to which of the options to proceed was deferred and officers were requested to carry out further investigations.

Options:

- (1) Retain the Portfolio.
- (2) Declare the Portfolio surplus to requirements and advertise the Portfolio with the exception of the Derwentdale and Gatehouse on the open market inviting bids as follows for: -
 - (a) The entire Portfolio
 - (b) Individual estate units
- (3) Declare the Portfolio surplus to requirements with the specific condition that the estates are used for industrial use only, and advertise the portfolio, with the exception of the Gatehouse Estate, on the open market inviting bids as follows for: -
 - (a) The entire Portfolio
 - (b) Individual estates
 - (c) Individual units/sites excluding Derwentdale and Park Road North.

RESOLVED: that option 3 be approved.

Reason: To allow the opportunity of obtaining a significant capital receipt without disrupting tenants businesses.

142. LETTING OF STEELHAVEN HOUSE – CONSETT

Councillor Huntley presented the report, which sought authority to let Steelhaven House, Consett, to Centrepoint, on a 7-year lease.

Options:

- (1) Withdraw from negotiations and advertise the property on the open market. Whilst this would allow the Council to obtain a capital receipt, this course of action would mean the Council failing its statutory duties under the Homelessness Act 2002, and to meet targets within the Derwentside Homelessness Strategy 2003-08.
- (2) Proceed with a letting to Centrepoint. This would provide a much required facility within the District and assist the Council in fulfilling its homelessness obligations. It would also result in significant improvements to a Council Asset and at the end of three years; there is an opportunity of receiving a significant rental income.

RESOLVED: that option 2 be approved.

Reason: To facilitate the provision of a vital service in the District and enable a Council Asset to be enhanced.

CONCLUSION OF MEETING

The meeting closed at 4.55 p.m.

Chair.