

**THE MINUTES OF THE MEETING
OF THE RESOURCES SCRUTINY COMMITTEE**

HELD ON TUESDAY 24 APRIL 2007

Present: Councillor A Burnip (Chair)
Councillors A Collinson, S Huntington,
Mrs J Maslin, Mrs S Mason and R Taylor

Apology: Councillor B Burn

1 **THE MINUTES OF THE LAST MEETING** held on 3 April 2007, a copy of which had been circulated to each Member, were confirmed.

2 **MATTERS ARISING FROM THE MINUTES**

(i) **Cleansing and Maintenance of Bus Shelters (Minute no 5 refers)**

Councillor S Huntington advised that at the last meeting he had asked if finance would be available for new shelters in 2007/2008 and requested that a shelter be provided at Fulwell Road, Peterlee. P Penman advised that finance would be available for the provision of shelters in 2007/2008 and the request for a shelter at Fulwell Road, Peterlee would be added to the list of requests for consideration in 2007/2008.

RESOLVED that Councillor Huntington's request for a shelter at Fulwell Road, Peterlee be added to the list of shelters for consideration in 2007/2008.

3 **THE MINUTES OF THE MEETING OF THE EXECUTIVE** held on 10 April 2007, a copy of which had been circulated to each Member, were submitted.

RESOLVED that the information contained within the Minutes, be noted.

4 **PUBLIC QUESTION AND ANSWER SESSION**

There were no members of the public present.

5 **PETERLEE HOTEL FEASIBILITY STUDY**

Consideration was given to the report of the Principal Economic Development Officer which gave details of the findings of the Hotel Feasibility Study for Peterlee which was undertaken to assess the hotel operator market investment potential in the area, a copy of which had been circulated to each Member.

Members were advised that £15,000 had been allocated to appoint consultants to carry out a study into the potential for a hotel development in Peterlee. The aim of the study was to assess demand, examine the current and target market, identify preferred sites, type and size of hotel required and the measures required to attract operators to the area. In April 2005 RGA Consulting Ltd were appointed to carry out the feasibility study.

The consultants reviewed the current local market economy, specifically location, accessibility and tourism. As a location Peterlee had strong communication links. The number of visitors to County Durham had increased and visitor numbers for serviced accommodation in the County had grown. This, coupled with an increasing number of visitor destinations within reach from East Durham, indicated that Peterlee could support new hotel accommodation.

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RGA carried out extensive research to review and assess the current supply, demand and use of hotel accommodation in the District. Local hoteliers were interviewed to assess the current state of hotel accommodation. The report concluded that the current supply was of low to moderate standard with the luxury hotel Seaham Hall at the other end of the market. This demonstrated that a new branded 'lodge style' hotel could fill the gap which existed in the District. The study also highlighted that the existing hotel stock required refurbishment and needed to revise its marketing strategies to increase competition and penetrate new customer markets.

Businesses located in the district were surveyed to find out how they used the hotel accommodation in the area and how any future developments could meet their needs. The study confirmed that when businesses were choosing accommodation, location, quality and price were deemed to be most important. Whilst businesses illustrated a strong demand for accommodation in the Peterlee area, branded hotels in Durham or Newcastle currently met it. This was due to the current standard of hotel stock in the area which was deemed inappropriate for their needs due to quality. Businesses confirmed that East Durham required more three and four star hotels and concluded that they would welcome a new purpose built nationally branded 'lodge style' hotel. Businesses also indicated their future accommodation demands would increase.

RGA researched the current conference facilities in the district and contacted several industry organisations including conference agents. It revealed they had little or no knowledge of Peterlee as a destination. Short break operators also tended to use Durham and Newcastle hotels and felt that there was not a sufficient tourism product or leisure demand in the district to warrant it as a destination. However, it was indicated that should the area have a better-branded hotel and conference venue provision, given the good access, East Durham could be considered a destination.

Hotel operators were surveyed to assess the possibility of locating in Peterlee. An interest was expressed from 'limited service' which referred to hotels whose overall economies were achieved through standardised, modern construction, simplified systems with very specific market positioning. These providers required sites of about 1 – 1.5 acres, which were visible and accessible and preferred new built properties. Using this as a basis, RGA appraised seven possible development sites using the categories of access, visibility, proximity to main roads and distance from the city centre.

Seven possible "candidate" sites were identified, five within the Peterlee area and two further afield. However, the critical consideration was seen to be access to the A19.

The favoured site was at Peterlee to the west of the A19 adjacent to Shotton Road within the South West Industrial Estate.

The second preferred site was Dalton Park, which had excellent visibility from the A19 and was located adjacent to existing retail development.

The study identified demand for a three to four star hotel development of approximately 75 bedrooms in Peterlee with well equipped meeting room facilities and food and beverage facilities. It was recommended that the development should be within a 5 mile radius of Peterlee. This demand was stimulated by the increasing use of the A19 and the location of the industrial estates to the west of Peterlee.

RGA recommended that the potential of the Shotton Road and Dalton Park sites should be pursued once the interests of the respective landowners had been ascertained.

The study also recommended that to realise a hotel development, a comprehensive marketing campaign should be considered to promote the district as a whole.

Further work was required as part of the Easington Local Development Framework to identify additional potential sites, preferably close to the A19 to widen the quality of sites on offer. The availability of these sites, along with those already identified in the study, needed to be determined in terms of their acceptability within local planning and highways policy terms as well as environmental and landscape considerations.

Councillor Mrs J Maslin made reference to the Norseman Hotel in Peterlee which had once been a very nice hotel. S James advised that the authority recognised the state of the accommodation on offer in the district. NRF resources had been used to assist with Visit Britain assessments. These visits provided an independent assessment of accommodation and identified problems and suggested what improvements were needed before a grading could be awarded. To date seven accommodation providers in the district had received assistance and made improvements as a result of the assessment. It was hoped that further NRF funding could be secured to carry out further assessments and secure gradings. S James agreed to pass on the details of the Norseman to the officer dealing with the Visit Britain scheme.

S Huntington asked if the lodge style hotel being considered would provide leisure facilities. S James advised that the consultants hadn't been specific about leisure or catering facilities and the decision in relation to this would be left to the operator. There was normally a pub next to this type of hotel but options would be kept open depending on the market.

Councillor S Huntington queried if the position would be affected by local government re-organisation and the possibility of a unitary authority. S James explained that it was difficult to determine but the authority already worked on a county wide basis in relation to tourism and it was hoped that as the study was complete progress would continue.

Councillor S Huntington asked if the land being considered at Dalton Park was contaminated. S James explained that the area of land identified for phase 2 was opposite the existing retail development. It was hoped that leisure facilities would be provided as part of the second phase. It was felt that a hotel would work well on this site but no firm decision had been made.

Councillor A Collinson advised that there was a lodge type hotel located on the A19 at Dalton Lodge, and asked if this operator had been approached as part of the study. S James advised that he was not aware that the operator had been approached but it would be investigated.

RESOLVED that the information given, be noted.

6 DISTRICT OF EASINGTON SCRUTINY ANNUAL REPORT 2006/2007

Consideration was given to the report of the Scrutiny Support Manager which sought approval of the Draft District of Easington Scrutiny Annual Report 2006/2007, a copy of which had been circulated to each Member.

The Scrutiny Support Manager explained that under Article 6 of the Council's Constitution, Scrutiny Committees had to report annually to Council on their work and make recommendations for future work programmes.

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The report had been produced jointly on behalf of the three Scrutiny Committees and aimed to demonstrate the principle that the Scrutiny Committee's worked together in ensuring that they complimented the strategic work of the Executive and that the corporate priorities and performance targets agreed by the Council were met.

The report detailed the principles behind effective scrutiny within the Council, highlighted the co-ordinating role of the Scrutiny Management Board, reviewed the work undertaken by the Scrutiny Committees, set out proposed areas of work which formed the new Scrutiny Committees' work programme for 2007/2008 as far as they had been determined to date and proposed further ways through which the scrutiny process would be developed.

The Annual Report highlighted the relevant Service Unit Position Statements that would be considered by the newly established Community Services, Regeneration Services and Resources Scrutiny Committees during 2007/2008. Executive Portfolio Holders would also be required to report to the appropriate Scrutiny Committee to report on the formal partnerships and partnership working that was undertaken within their portfolio.

The Annual Report also detailed the challenges and areas of future development that would be faced by the Scrutiny Committees arising from both the Local Government White Paper "Strong and Prosperous Communities" and the Police and Justice Act 2006, particularly where they related to the proposals to establish "Community Calls for Action".

Councillor S Huntington advised that he had previously raised the issue of the use of consultants throughout the authority, and had requested details of their use and the costs involved.

The Scrutiny Support Manager advised that this issue could be carried forward to the new Scrutiny Committees and incorporated into their future work programmes if Members wished.

RESOLVED that;

- (i) the District of Easington Annual Scrutiny Report 2006/2007 be agreed subject to any amendments and submitted to Full Council for endorsement;
- (ii) the report be submitted to the first meeting of the new Scrutiny Committee for finalisation of the 2007/2008 work programme.

7 COMMUNICATION AND PUBLICITY

There were no items to report.

8 CHAIRS COMMENTS

The Chair advised that this was the final meeting of the Resources Scrutiny Committee prior to the implementation of the new structure, and thanked the committee for their participation and commitment.

RESOLVED that the information given, be noted.

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CERTIFIED TRUE RECORD

CHAIR.....

DATE.....

JW/MA/com res/070402
25 April 2007