

**MINUTES OF A MEETING OF THE SUSTAINABLE GROWTH SCRUTINY COMMITTEE
HELD ON 20 JULY 2009 IN THE BOURGES AND VIERSEN ROOMS, TOWN HALL**

Present: Councillors M Fletcher (Chairman), S Allen (Vice-Chairman), M Burton, D Day, S Day, S Lane and J Peach

Officers Present: Ben Ticehurst - Deputy Chief Executive
Andrew Edwards - Head of Strategic Property
Ruth Lea – Lawyer
Louise Tyers – Scrutiny Manager

1. Apologies for Absence

There were no apologies for absence.

2. Declarations of Interest and Whipping Declarations

No declarations of interest or whipping declarations were made.

3. Minutes

3.1 Business Efficiency Scrutiny Panel held on 9 April 2009

The minutes of the meeting of the Business Efficiency Scrutiny Panel held on 9 April 2009 were approved as a correct record.

4. Call In of any Cabinet, Cabinet member of Key Officer Decisions

There were no requests for call-in to consider.

5. Disposal of Land and Assets

The Head of Strategic Property presented a report on the process and policy adopted for the disposal of land and assets.

Peterborough City Council was a major landowner in the Peterborough area and in total the Council owned in excess of 2000 assets with a current use value of £380m (FY08/09 values). These assets were used to support the Council in the delivery of its objectives. Asset use was kept under review and those that were surplus were disposed of in accordance with the process set out in the Corporate Asset Management Plan 2009-14.

A key to determining the future approach to disposing of an asset would be the holding costs and the period before the site was transferred out of Council ownership. Larger 'Open' sites such as 'The Grange' were high value sites that would generate substantial capital receipts if the disposal was managed correctly. 'Self-Build' or single plots had been considered in the past, however the evidence in the market was showing that there was not the demand to justify disposal as single plots of a large site like 'The Grange'. In addition the Council would need to fund the infrastructure, market and manage those sites and there would be a lack of certainty in Capital receipts. However 'Self-build' could be an option when the necessary infrastructure was already in place.

Properties were identified as surplus by a number of routes including by the service department. Surplus properties were then examined as to possible future uses and if none could be identified the asset was transferred to Property Services for an options study to be undertaken. An independent consultant valued the site and if appropriate outline planning permission may be sought. A decision would then be needed on how to dispose of the site and a number of options would be considered, for example market, auction, mail drops or direct contact with developers. Any bids would be technically evaluated to ensure that they met the requirements of planning and other issues and then negotiations would begin with the developer.

Observations and questions were raised around the following areas:

- It was pleasing that disposing of land as self build plots would be considered where appropriate as there was a need for it in Peterborough. The officer confirmed that there were some self build plots in Peterborough, especially in Hampton but other plots could be looked at in the future.
- Despite the current economic conditions the disposal programme was still going ahead. The Capital Programme was partly funded by capital receipts and Property Services were continuing to work with colleagues in Planning Services to identify possible sites for disposal.
- Ward members should be consulted on contentious issues when assets are disposed of in their areas.
- Due to the current economic conditions support was needed for those tenants who were having difficulty in maintaining their commitments. The officer confirmed that staff within Property Services worked with existing tenants when they got into difficulties such as being able to vary rental levels and offering rent free periods and step rents. Short term leases were available and it was important to be flexible especially within the current market conditions. When a business went into Administration staff now liaised with the appointed Administrator to try and dispose of the lease directly to another tenant rather than take it back and the financial implications that would involve for the Council such as rates.
- An independent consultant was appointed to provide a valuation to ensure that there could be no accusations of Property Services under or over valuing an asset. Historical data was used to estimate what a valuation should be and staff would challenge if they thought that there was an issue with the valuation received.
- Valuations are received early in the process as it helps to give a steer on how to market the property and also when setting the reserve value at auction. It was more cost effective to buy in this service when needed rather than employ someone in-house. Comparative valuations are sometimes obtained as they are useful when modelling possible options for disposal however valuations of property fluctuate widely.
- How was it decided whether a business was suitable for a property? The proposal was looked at to see what they wished to do and whether it was suitable for the area.

RECOMMENDATIONS

That it be recommended to the Cabinet Member for Resources and the Lead Officer:

- (a) that the approach being adopted by the Council regarding the implementation of a proactive asset disposal programme in meeting the Council's strategic objectives be supported;
- (b) that comparative valuations be obtained for land disposals periodically to provide assurance that the valuations of the Council's professional officers and the Independent Valuer always offer best value to the Council in the context of the prevailing economic and market conditions; and

- (c) that confirmation be given that the current protocol for Member engagement is adopted consistently whereby Ward Councillors are notified of all land disposals that are proposed within their respective wards.

6. Reconstitution of Scrutiny Groups

In November 2008 and April 2009 the Scrutiny Committee agreed to the establishment of the Local Development Framework Scrutiny Group and the Planning Performance Agreement Charter Scrutiny Group. Following the introduction of a new scrutiny structure at Annual Council these groups now needed to be reconstituted to report to the Sustainable Growth Scrutiny Committee.

ACTION AGREED

That the Local Development Framework Scrutiny Group and the Planning Performance Agreement Charter Scrutiny Group be reconstituted and that they report to the Sustainable Growth Scrutiny Committee.

7. Forward Plan of Key Decisions

The latest version of the Forward Plan, showing details of the Key decisions that the Leader of the Council believed the Cabinet or individual Cabinet Members would be making over the next four months, was received.

A decision on the ICT Managed Service was due to be taken shortly so the Committee would not be able to have an input at this time. A report on the project including the lessons learnt, what went well and what did not work well could be considered by the Committee in the future to help improve future projects such as this.

ACTION AGREED

To consider a report on the lessons learnt on the ICT Managed Service project at a future meeting.

8. Work Programme

We considered the work programme for 2009/10.

A report on the City Services ALMO will be considered at our meeting in November, with an initial briefing paper in September.

A report on how the Council procures contracts will also be considered in September.

ACTION AGREED

To confirm the work programme 2009/10.

9. Date of Next Meeting

Monday 14 September 2009 at 7pm

CHAIRMAN
7.00 - 7.55 pm

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