

## SUSTAINABLE GROWTH SCRUTINY COMMITTEE

WEDNESDAY 31 MARCH 2010

7.00 PM

Bourges/Viersen Room - Town Hall

### AGENDA

Page No

**1. Apologies for Absence**

**2. Declarations of Interest and Whipping Declarations**

At this point Members must declare whether they have an interest, whether personal or prejudicial, in any of the items on the agenda. Members must also declare if they are subject to their party group whip in relation to any items under consideration.

**3. Exclusion of Press and Public**

In accordance with standing orders, Members are asked to determine whether Appendix 3 of agenda item 4 – Request for Call-In: Disposal of the former Lady Lodge Arts Centre site, which contains exempt information relating to financial and business affairs in the proposed disposal of the Council's asset, as defined by paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972 should be exempt and the press and public excluded from the meeting if it is discussed, or whether the public interest in disclosing this information outweighs the public interest in maintaining the exemption.

**4. Request for Call-In of an Executive Decision: Disposal of the Former Lady Lodge Arts Centre Site** **1 - 14**



There is an induction hearing loop system available in all meeting rooms. Some of the systems are infra-red operated, if you wish to use this system then please contact Louise Tyers on 01733 452284 as soon as possible.

#### Emergency Evacuation Procedure – Outside Normal Office Hours

*In the event of the fire alarm sounding all persons should vacate the building by way of the nearest escape route and proceed directly to the assembly point in front of the Cathedral. The duty Beadle will assume overall control during any evacuation, however in the unlikely event the Beadle is unavailable, this responsibility will be assumed by the Committee Chair.*

Committee Members:

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

Substitutes: Councillors: S Goldspink, B Saltmarsh, P Winslade and S Goldspink

Further information about this meeting can be obtained from Louise Tyers on telephone 01733 452284 or by email – [louise.tyers@peterborough.gov.uk](mailto:louise.tyers@peterborough.gov.uk)

<b>SUSTAINABLE GROWTH SCRUTINY COMMITTEE</b>	<b>Agenda Item No. 4</b>
<b>31 MARCH 2010</b>	<b>Public Report</b> With an Exempt Annex NOT FOR PUBLICATION in accordance with Paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972.

## Report of the Solicitor to the Council

Report Author – Louise Tyers, Scrutiny Manager

Contact Details – (01733) 452284 or email [louise.tyers@peterborough.gov.uk](mailto:louise.tyers@peterborough.gov.uk)

### **REQUEST FOR CALL-IN OF AN EXECUTIVE DECISION: DISPOSAL OF THE FORMER LADY LODGE ARTS CENTRE SITE**

#### **1. PURPOSE**

- 1.1 To consider a request to call-in an executive decision made by the Cabinet Member for Resources.

#### **2. RECOMMENDATIONS**

- 2.1 That the Sustainable Growth Scrutiny Committee considers a request to call-in a decision taken by the Cabinet Member for Resources in respect of the disposal of the former Lady Lodge Arts Centre site.

#### **3. BACKGROUND**

- 3.1 On 16 March 2010, the Cabinet Member for Resources made an executive decision relating to the disposal of the former Lady Lodge Arts Centre site. In accordance with the Constitution this decision was published on 17 March 2010.
- 3.2 On 22 March 2010, Councillors Goldspink and Murphy submitted a request to call-in this decision on the following grounds:
- (i) The decision does not follow the principles of good decision making as set out in Article 12 of the Council's Constitution, specifically that the decision maker did not:
- (a) Act for a proper purpose and in the interests of the public.
- 3.3 A copy of the request to call-in is attached at Appendix 1 and a copy of the decision notice is attached at Appendix 2. An exempt annex which relates to this decision is at Appendix 3 and has been sent to members of the Committee under separate cover.
- 3.4 After considering the request to call-in and all relevant advice, the Committee may either:
- a) not agree to the request to call-in, when the decision shall take effect;
  - b) refer the decision back to the decision maker for reconsideration, setting out its concerns; or
  - c) refer the matter to full Council.

#### **4. IMPLICATIONS**

- 4.1 Any implications are contained within the decision notice at Appendix 2 and the exempt annex at Appendix 3.

**5. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

None

**6. APPENDICES**

Appendix 1 – Request to Call-In Decision

Appendix 2 – Decision Notice

Appendix 3 – Exempt Annex

## CALL-IN REQUEST FORM

This form must be completed, signed by at least two members of any Scrutiny Commission or Scrutiny Committee and returned to the Scrutiny Team within 3 working days of the decision being published (*not including the day of publication*)

Decision taker:	Cllr David Seaton
Date of publication of decision:	17 <sup>th</sup> March 2010
Decision Called in :	Disposal of Lady lodge Arts Centre

	REASONS FOR CALL-IN	Tick which reason applies
1.	Decision contrary to the policy framework?	
2.	Decision contrary or not wholly consistent with the budget?	
3.	Decision is Key but it has not been dealt with in accordance with the Council's Constitution.	
4.	Decision does not follow principles of good decision-making set out in Article 12 of the Council's Constitution.	<b>X</b>
	If reason 4, please tick which specific element of Article 12 the decision maker has not followed, did he or she not:	
(a)	Realistically consider all alternatives and, where reasonably possible, consider the views of the public.	
(b)	Understand and keep to the legal requirements regulating their power to make decisions	
(c)	Take account of all relevant matters, both in general and specific, and ignore any irrelevant matters.	
(d)	Act for a proper purpose and in the interests of the public.	<b>X</b>
(e)	Keep to the rules relating to local government finance.	
(f)	Follow procedures correctly and be fair.	
(g)	Make sure they are properly authorised to make the decisions.	
(h)	Be responsible for their decisions and be prepared to give reasons for them.	
(i)	Take appropriate professional advice from officers.	

**Detailed Reason(s) for Call-in.** Please explain below why one of the reasons for call-in applies (eg. For number 1 - which major policy affected and how/why)

*Disposal of this site has not considered the bigger picture of this sale and the loss to the local community. When Lady Lodge (LL) was built back in the 70's it was built as a community asset by the Development Corporation.*

*Albeit this has been a derelict site for a while it does not change the specific land allocation at the time of build. For Orton to lose this provision, will be a further impact on community asset loss, the second in 2 yrs since the loss of Leighton Community Centre.*

*It was suggested this could be addressed through a S106 payment. This is not sufficient to suggest such as that would be a given from any development. The point here to be considered is that this is a loss not to be replaced and a deprived area is to suffer again. A contribution from the sale of this property needs to be made back to a current community facility to mitigate the impact Orton is to suffer again in lost provision.*

	<b>Name (please print)</b>	<b>Signature</b>	<b>Date</b>
<b>1.</b>	Cllr Graham Murphy	<b>G.c.Murphy</b>	22 March 10
<b>2.</b>	Cllr Stephen Goldspink	<b>S Goldspink</b>	22 March 10
<b>3.</b>			

**THIS PART OF THE CALL-IN REQUEST FORM IS TO BE COMPLETED BY THE CHIEF EXECUTIVE (OR HIS/HER REPRESENTATIVE)**

<b>Date form received:</b>		<b>22 March 2010</b>	
<b>Form processed by (name):</b>		<b>Louise Tyers</b>	
<b>Was Call-in request received within timescales?</b>	<b>YES</b>	<b>If No, reject and inform parties, initial and date this box to show completed</b>	
<b>Is the request form signed at least 2 members of any Scrutiny Commission or Scrutiny Committee?</b>	<b>YES</b>	<b>If No, reject and inform parties, initial and date this box to show completed</b>	
<b>URGENCY</b>			
1.	In the view of the decision-maker, was the decision made of an urgent or special urgent nature, and if so, why?		
2.	In the view of the Chairman of the Environment Capital Scrutiny Committee, is the decision under consideration sufficiently urgent that it should not be available for call-in, and if so, why?		
To be considered by which Scrutiny Commission/Committee		Sustainable Growth Scrutiny Committee	
Date for Scrutiny Commission/Committee to consider request for call-in		31 March 2010	
Result of the Scrutiny Commission/Committee's considerations			
If necessary, which decision-maker is to reconsider decision and by which date?		Decision-maker	Date
Signature and date of officer completing Call-in request form		Signature	Date
		Name (please print)	

This page is intentionally left blank



## DECISION NOTICE – Cabinet Member for Resources

<b>Report Title</b>	<b>Disposal of the former Lady Lodge Arts Centre Site, Goldhay Way, Orton Goldhay</b>
<b>Delegations Checked</b>	This decision is proposed in accordance with the delegations for the Cabinet Member for Resources as set out at delegation number 3.8.1 (l) of Part 3 of the delegation document.
<b>Name and contact details of officer requesting the decision</b>	Andrew Edwards – Head of Strategic Projects (Tel. No. 384530)
<b>Is the report or background information attached to this request exempt?</b>	Yes The attached report/background information is NOT FOR PUBLICATION in accordance with paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972 in that it contains information relating to financial and business affairs in respect of the proposed disposal of the Council's asset. The public interest test has been applied to the information contained within the exempt annex and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it.
<b>Is this a Key Decision Key Decision Reference</b>	Yes – On Forward Plan
<b>Details of decision required</b>	To authorise the Chief Executive, (in consultation with the Head of Strategic Property (as Corporate Property Officer), Cabinet Member for Efficiency and Resources (who will liaise with the Leader of the Council) to negotiate and conclude terms for the disposal of this asset by private treaty for the development of the site as a care home.
<b>Reasons for recommending decision and any relevant background information</b>	<p>The Council is seeking to deliver Capital receipts from its sale of Council assets which are surplus to requirements and meet the needs of the Council's Medium Term Financial Strategy (MTFS). The proposed sale provides an opportunity to achieve a capital receipt and is included in the 2009-2012 MTFS. Approval was given last year to the sale of this site for the development of a specialist dementia care home but the purchaser withdrew unexpectedly from the transaction, meaning that this CMDN now supersedes the earlier approval.</p> <p>The site was previously used for a number of offices and storage facilities. The majority of the buildings on the site were not compliant with the Disability Discrimination Act 2005, and substantial capital investment would have been required to bring them to the necessary standard.</p> <p>The site suffered from high levels of vandalism, break-ins and a major fire destroyed one of the principal buildings on the site in February 2008. A number of tenants also vacated the site during 2007 and 2008, and it has been impossible to find alternative tenants.</p> <p>The complex buildings were demolished in February 2009 following a full options appraisal undertaken by the Head of Strategic Property.</p>

	<p>Following the conclusion of the demolition works a full options appraisal of the options was undertaken by the City Council in relation to the future use of the site, and it was agreed that the provision of a new care facility would maximise the capital receipt for reinvestment in public services, through the Council’s capital programme and at the same time relieve the City Council of further financial and management responsibilities for the site.</p> <p>Feedback from the early stages of consultation with planning and Ward Councillors, indicated support for such a scheme. The scheme is expected to deliver the following benefits;</p> <ol style="list-style-type: none"> <li>1. The development of new care facilities to the general benefit of the City of Peterborough.</li> <li>2. The new development will be designed to complement the existing environment and maximise the use of the existing infrastructure e.g. access road, so minimising encroachment onto land which is currently held as “Community Related Assets”.</li> <li>3. The proposed scheme is likely to create up to 70 new jobs, with staffing opportunities available for the local community.</li> <li>4. Schemes of this nature are important community assets and will be staffed 24/7 which is likely to reduce potential issues that might occur on a vacant site.</li> <li>5. Delivery of the site can be made without the need to improve the existing access arrangements which in turn would avoid a claw back which would be triggered whereby Peterborough City Council (PCC) would contribute approximately 60% of the increase in land value as a result of such actions to the Homes and Communities Agency (formerly English Partnerships).</li> </ol>
<p><b>Alternative options considered and rejected</b></p>	<p><b>Option 1</b> - Redevelopment for retail. The proximity of the Orton Centre already provides for the primary needs of the community and would effectively ‘pull’ custom away from the Lady Lodge Site. A retail development in this location would provide units with low rental incomes and is therefore not the preferred option and would have been contrary to planning policy.</p> <p><b>Option 2</b> - Redevelopment for Industrial use. This is predominantly a residential area with some retail. Research shows low rental values and difficulties in securing tenancies. A development of this nature is likely to receive high levels of objections from local residents on the grounds of noise, disturbance, pollution and the passage of heavy goods vehicles. Vandalism is likely to persist during unoccupied periods or after business hours and we do not recommend this option. Further it is unlikely to secure planning given proximity to a residential area.</p> <p><b>Option 3</b> - Redevelopment for office use. When previously occupied the site included office accommodation. This has been proven to be an unpopular location for office accommodation which would result in difficulty in lettings and subsequent void periods which will encourage the kind of vandalism which has been seen in the past and which PCC wish to avoid.</p> <p><b>Option 4</b> -Travellers Site. This option is not suitable for this location which is predominantly an established residential area of generic housing.</p> <p><b>Option 5</b> - Redevelopment for Housing. The site could provide a suitable site for the redevelopment of housing although early consultation with Ward Councillors suggests that housing is not the preferred option. A recent valuation of the site for housing suggested a lower capital receipt than if sold to a care home provider and therefore we do not recommend this option.</p>

<b>Declarations / conflict of interest</b>	<b>Declarations of any other Cabinet Members consulted by the Cabinet Member making the decision.</b> <i>The Cabinet Member should be reminded to declare any interests/conflicts of interest here.</i>			
<b>Dispensations granted</b>	<b>In respect of any declared conflict of interest in relation to the decision, any dispensation granted by the Secretary of State/Standards Committee.</b> <i>The Cabinet Member should detail any dispensations granted in this box.</i>			
<b>Consultation (officers/ward councillors)</b> <i>Legal and finance should be consulted regarding the proposals. Ward Councillors, other Cabinet Members and officers should be consulted if the proposals will have an impact on their service area/ward.</i>	<b>Section</b>	<b>Name</b>	<b>Outcome</b>	<b>Date</b>
	<b>Ward Councillors</b> <i>(if decision is ward specific)</i>	Cllr Goodwin Cllr Murphy  Cllr Winslade	Approved Approved providing S106 monies can be directed to improve existing community facilities from the sale of the site. Approved	
	<b>Legal</b>	Carrie Denness	Approved	10 <sup>th</sup> February 2010
	<b>Finance</b>	Steve Pilsworth	Approved	3 <sup>rd</sup> February 2010
	<b>Democratic Services</b>	Lindsay Tomlinson	Approved	10 <sup>th</sup> February 2010
	<b>Procurement Project Director</b> <i>(if decision is contract/procurement related)</i>	N/A		
	<b>Head of Strategic Property</b> <i>(if decision is property related)</i>	Andrew Edwards		
	<b>Other Officers / Members</b>	N/A		
<b>Director's approval</b> <i>Directors are requested not to sign if the above section is incomplete</i>				<b>Date</b>
<b>Date sent to Cabinet Member if key decision</b>	<i>To be inserted by Democratic Services</i>			
<b>If key decision – date decision may be taken</b>	<i>To be inserted by Democratic Services</i>			
<b>Cabinet Member approval</b>				<b>Date</b>
<b>Reasons for making decision</b> <b>Please tick one of the Options</b>	<b>Option 1</b> I agree with the officer's reasons for recommending the decision.			
	<b>Option 2</b> I agree with the officer's reasons for recommending the decision and have the following additional comments to make.			
<b>Once signed by Director, please pass to Democratic Services. We will contact the Cabinet Member and arrange for signature.</b>				

<b>CABINET MEMBER FOR RESOURCES</b>	
<b>MARCH 2010</b>	<b>PUBLIC REPORT</b>

Cabinet Member(s) responsible:	Councillor D Seaton, Cabinet Member for Resources	
Contact Officer(s):	Andrew Edwards – Head of Strategic Property	Tel. 01733 384535

**DISPOSAL OF FORMER LADY LODGE ARTS CENTRE, GOLDHAY WAY, ORTON GOLDHAY, PETERBOROUGH**

R E C O M M E N D A T I O N S	
<b>FROM :</b> Richard Hodgson – Head of Strategic Property	<b>Deadline date :</b>
<p>The Cabinet Member is asked to:</p> <p>Authorise the Chief Executive in conjunction with the Head of Strategic Property (as Corporate Property Officer), Director of Strategic Resources and Cabinet Member for Resources (who will liaise with the Leader of the Council) to negotiate and conclude the sale of this surplus asset based on best consideration principles to a single care home developer.</p>	

**1. ORIGIN OF REPORT**

- 1.1 This report is submitted to the Cabinet Member for Resources because a decision is required on a matter that is a key decision.

**2. PURPOSE AND REASON FOR REPORT**

- 2.1 The purpose of this report is to provide additional background information to the Cabinet Member for Resources on the key decision placed before him.
- 2.2 This report is for the Cabinet Member for Resources to consider under his Terms of Reference No. 3.8.1 (I) of Part 3 of the delegation document.
- 2.3 The attached report/background information is NOT FOR PUBLICATION in accordance with paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972 in that it contains information relating to the sale of Council property and the commercial sensitivity surrounding any contractual discussions with third parties . The public interest test has been applied to the information contained within the exempt annex and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it.

**3. TIMESCALE**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	
---	-----------	--

**4. BACKGROUND**

The Lady Lodge complex had previously been in decline for many years with consistent levels of crime and anti-social behaviour escalating to arson attacks and eventual loss of the Dutch Barn. Given the continued drain on resources including the provision of 24/7 security and the level of investment required in order to comply with current legislation for

the letting of commercial property, the complex was demolished in February 2009, following consultation with Ward Councillors.

In June of 2009 approval was given for the disposal of the site as a specialist care home to cater for young people with cognitive disorders including early onset dementia. A contract was issued to the proposed purchasers but they subsequently withdrew from the purchase, having identified a site more suited to their specific needs. A new purchaser has now been identified who wish, subject to the grant of detailed planning permission, to develop a new care home for the elderly. This CMDN therefore supersedes the earlier approval.

## **5. CONSULTATION**

As part the Council's consultation process for the original CMDN, a briefing was arranged for the three local Ward Councillors in order that views could be exchanged. Up to date views are now being sought from the Ward Councillors on this revised proposal and this Decision Notice forms part of this consultation.

## **6. ANTICIPATED OUTCOMES**

An approval from the Cabinet Member for Resources for the recommendations set out in this report. This will ensure that as a Council we will be able to deliver programmed/budgeted capital receipts and limit future management and financial implications of holding sites which are surplus to Council requirements.

## **7. REASONS FOR RECOMMENDATIONS**

The Council is seeking to deliver Capital receipts from its sale of Council assets which are surplus to requirements and meet the needs of the Council's Medium Term Financial Strategy (MTFS). The proposed sale provides an opportunity to achieve a capital receipt and is included in the 2009-2012 MTFS.

The site was previously used for as an arts centre and more latterly as offices and storage facilities. The majority of the buildings on the site were not compliant with the Disability Discrimination Act 2005, and substantial capital investment would have been required to bring them up to the necessary standard, adapt and put back into good condition.

The site suffered from high levels of vandalism, break-ins and a major fire destroyed one of the principal buildings on the site in February 2008. A number of tenants also vacated the site during 2007 and 2008, and it has been impossible to find alternative tenants.

The complex buildings were demolished in February 2009 following a full options appraisal undertaken by the Head of Strategic Property.

Following the conclusion of the demolition works a full options appraisal of the options was undertaken by the City Council in relation to the future use of the site, and it was agreed that the provision of a new care facility would maximise the capital receipt for reinvestment in public services, through the Council's capital programme and at the same time relieve the City Council of further financial and management responsibilities of the site. Feedback from the early stages of consultation indicated support for such a scheme. The scheme is expect to deliver the following benefits;

1. The development of new care facilities to the general benefit of the City of Peterborough.
2. The new development will be designed to complement the existing environment and maximise the use of the existing infrastructure e.g. access road, so minimising encroachment onto open space fronting the site.
3. The proposed scheme is likely to create up to 70 new jobs, with staffing opportunities for the local community.

4. Schemes of this nature are important community assets and will be staffed 24/7 which is likely to reduce the problems associated with the current use of the facility

5. Delivery of the site can be made without the need to improve the existing access arrangements which in turn would avoid a claw back which would be triggered whereby Peterborough City Council (PCC) would contribute approximately 60% of the increase in land value as a result of such actions to the Homes and Communities Agency (formerly English Partnerships) under the "Community Related Asset" arrangements. Alternative uses such as residential are more likely to trigger clawback as access arrangements would be different.

## **8. ALTERNATIVE OPTIONS CONSIDERED**

Option 1 - Redevelopment for retail. The proximity of the Orton Centre already provides for the primary needs of the community and would effectively 'pull' custom away from the Lady Lodge Site. A retail development in this location would provide units with low rental incomes and is therefore not the preferred option and also contrary to planning policy.

Option 2 - Redevelopment for Industrial use. This is predominantly a residential area with some retail. Research shows low rental values and difficulties in securing tenancies. A development of this nature is likely to receive high levels of objections from local residents on the grounds of noise, disturbance, pollution and the passage of heavy goods vehicles. Vandalism is likely to persist during unoccupied periods or after business hours and we do not recommend this option. Further it is unlikely to secure planning given proximity to a residential area.

Option 3 - Redevelopment for office use. When previously occupied the site included some office accommodation. This has been proven to be an unpopular location for office accommodation which would result in difficulty in lettings and subsequent void periods which will encourage the kind of vandalism which has been seen in the past and which PCC wish to avoid.

Option 4 - Travellers Site. This option is not suitable for this location which is predominantly an established residential area of generic housing.

Option 5 - Redevelopment for Housing. The site could provide a suitable site for the redevelopment of housing although early consultation with Ward Councillors suggests that housing is not the preferred option. A recent valuation of the site for housing suggested a lower capital receipt than if sold to a care home provider and therefore we do not recommend this option.

## **9. IMPLICATIONS**

The implication of not selling the site will mean that no capital receipt will arise, meaning a probable scaling down of the Council's Capital reinvestment programme.

## **10. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

The Corporate Asset Management Plan

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank