

FINANCE AND PROCUREMENT PORTFOLIO DECISION RECORD

15 December 2011

The meeting commenced at 10.00 a.m. in the Civic Centre, Hartlepool

Present:

Councillor Robbie Payne (Finance and Procurement Portfolio Holder)

Officers: Graham Frankland, Assistant Director, Resources
John Morton, Assistant Chief Finance Officer
Israr Hussein, Economic Development Officer
Dale Clark, Estates and Asset Manager
Philip Timmins, Principal Estates Surveyor
Kate Watchorn, Commercial Solicitor
David Cosgrove, Democratic Services Team

38. Sale of Foggy Furze Library and Staby House Sites (Assistant Director (Resources))

Type of decision

Key Decision (test i applies). Forward Plan reference Number RN 13/09.

Purpose of report

To update the Portfolio Holder of developments and seek approval to the demolition of the former Foggy Furze library building and re-provision of the bowling green.

Issue(s) for consideration by Portfolio Holder

The Assistant Director (Resources) reported that Portfolio Holder had considered a report on 17th November 2011 that provided information in relation to the tenders that had been received following a recent marketing exercise. The previous report also highlighted the fact that the former library had been included on a provisional "Local List" of buildings and that this together with potential concerns by Sport England in relation to the relocation of the bowling green were outstanding matters that may affect development proposals.

Subsequent to the Portfolio Holder's meeting, consultation had taken place with the preferred developers and they had advised that retention of the building would affect development proposals and that a more integrated development scheme could be achieved if the building was demolished. In addition, the costs of security would be eliminated and a higher capital receipt

would be paid. The Local List had, to date, not been adopted and at this point there was no requirement to retain the building.

Costs for demolition were currently being obtained from suitable contractors and negotiations were taking place with the developers to agree responsibility for payment. Positive discussions have also taken place with Sport England who had advised that in principle they agree to the bowling green being relocated to a suitable alternate location. Consent is conditional upon a formal commitment through a S106 agreement and provision of an interim arrangement with the Bowls Consortium to facilitate ongoing match commitments from Foggy Furze to other local facilities.

The financial and risk considerations were set out in a confidential appendix to the report. The appendix contained exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (paras. 2 and 3), information which was likely to reveal the identity of an individual and information relating to the financial or business affairs of any particular person (including the authority holding that information).

The Portfolio Holder was concerned that the council was being directed to re-provide the bowling green. The Estates and Asset Manager commented that Sport England, who were a statutory consultee for planning applications, had indicated that they would wish to see the bowling green re-provided as there was an under-provision of two bowling greens in the town.

Councillor Wells was present at the meeting and with the approval of the Portfolio Holder made comment on the issue. Councillor Wells indicated that there were eight active greens in the town, some of which were 'double' greens where only one was currently used. If the money proposed to be allocated under the proposals in the report was to be spent bringing one or more of these green's back into use, then that would be appropriate but building a new facility would be difficult to support and provide within the amount proposed. Councillor Wells also indicated that he understood that the clubs operating from Foggy Furze had already relocated.

The Estates and Asset Manager indicated that consultation had been undertaken with Sports Development Team who had supported the view of Sport England in relation to demand for bowling, though the strategy was being revised currently.

The Portfolio Holder considered that the £60,000 funding for the replacement of the bowling green should be put aside for the time being until further clarification was obtained on how it should be spent. The Portfolio Holder indicated that his preference would not be for a new green to be constructed but to bring some of the unused greens into use around the town.

The Portfolio Holder acknowledged that none of the bowling clubs had, or would, benefit financially from this decision and wished to record his thanks to the outdoor bowling clubs for their cooperation in this matter.

The Portfolio Holder also sought assistance from Councillor Wells, who he requested write to the Minister of State for Communities and Local Government highlighting that his decision that requiring the replacement of a bowling green if one was removed did not take account of the availability of other greens in an area or the availability of fiancé to do so. Councillor Wells indicated that he would do so.

Decision

1. That the proposal to demolish the former Library Building be approved.
2. That the relocation of the bowling green, at an estimated cost of £60,000, be put on hold at this time until clarification was obtained on whether bringing unused greens into use would satisfy the requirements of government and Sport England.

39. Land at Monmouth Grove Throston Grange Estate and Clavering Road *(Assistant Director (Resources))*

Type of decision

Key test (i) and test (ii).apply. Key decision reference number RN13/09.

Purpose of report

To update Portfolio Holder on the current situation in relation to the land at Monmouth Grove and Clavering Road and to seek the Portfolio Holder's views.

Issue(s) for consideration by Portfolio Holder

The Assistant Director (Resources) reported on the background to the sale of the two pieces of land, the previously agreed sale and the subsequent withdrawal by the purchaser. The two pieces of land had been remarketed and the results of the tender process were set out in a confidential appendix to the report which contained exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information. A further exempt appendix set out a plan showing the Monmouth Grove site (hatched) and the additional land (cross hatched) requested by Tenderer No. 3.

The tenders received varied not only in amounts but the level of affordable housing proposed and the addition of some other parcels of land. The report set out the differences between the tenders and the risks and financial implications. The Portfolio Holder was presented with the following options on which his guidance was requested: -

- “1. Accept Tender no. 1 on the basis that if the required planning permission is not granted due to the requirement for affordable housing, Tender no. 2 will be accepted. This should ensure the land is sold and developed,

albeit that it may be necessary to accept the lower figure ultimately.

2. Accept Tender no. 3 in view of the provision of affordable housing offered. The deliverability of the scheme is difficult to assess. If the planning application was refused or the number of units reduced in order to achieve permission the sale would not proceed or would only proceed at a reduced figure. This option includes the sale of additional land.
3. Refuse all three tenders and put the property back on the market for a longer period to try to obtain a better price. Given current market conditions, and that the property has been back on the market recently, this is not considered likely to be a successful strategy.
4. Refuse all 3 tenders and take the property off the market until market conditions improve. No capital receipt will be obtained and there will be some site maintenance / security costs. There is also no certainty about when market conditions will improve and they could deteriorate further. This would delay the capital receipt and would have to be factored in to the Medium Term Financial Strategy which relies upon Capital receipts to cover a range of budget shortfalls.”

The Portfolio Holder referred to previous discussions on the Clavering land which were not part of the current proposals. Officers indicated that the land would have been ‘gifted’ to the proposed developer in order to bring about development of social housing. The developer was still interested in such an arrangement and this would be the subject of a separate report.

In relation to the land at Monmouth Grove, the Portfolio Holder supported the proposal of tenderer 3 but considered that the additional land requested should be subject to further negotiations. The Portfolio Holder also wished to see discussions with the tenderer undertaken to promote the council’s aspirations in relation to the local benefits that could be derived from the development including the use of council services.

Decision

That the land at Monmouth Grove, as detailed on the plan at appendix 1 to the report (without the two additional parcels of land), be sold to the Vela Group, in the sum of £100,000 on the basis of 50% of the housing developed being affordable homes.

40. Land at Victoria Place *(Assistant Director (Resources))*

Type of decision

Non-key.

Purpose of report

To seek approval for the sale of land to the rear of 2 Victoria Place, Hartlepool.

Issue(s) for consideration by Portfolio Holder

The Assistant Director (Resources) reported that the land in question comprised 35 square metres of roughly surfaced land forming part of the Victoria Place garage site. The owner of 2 Victoria Place had approached the Council earlier this year to purchase the land as she had experienced issues with anti-social behaviour affecting the property. The land is not currently let or used by the Council.

It was agreed that in view of the fact that two other properties adjoin the land that all the adjoining owners should be given the opportunity to submit a tender for the purchase of the land. The two other adjoining owners were contacted and one of them indicated that he was interested in buying the land. Invitations to submit informal tenders by 12noon on Friday 14th October were then made to the two interested parties.

The tenders were opened at Contract Scrutiny Committee on Monday 17th October. The details of the tenders and the evaluation details were set out in a confidential appendix to the report. The appendix contained exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely (paras. 2 and 3), information which is likely to reveal the identity of an individual and information relating to the financial or business affairs of any particular person (including the authority holding that information).

The tender prices received were considered to fairly reflect the market value of the land and an evaluation had been undertaken considering price and other locational and access aspects and under these circumstances, the acceptance of Tender No. 1 was recommended to the Portfolio Holder.

Decision

That the sale of land to the rear of 2 Victoria Place in the terms set out in the confidential appendix to the report and subject to the meeting of the council's reasonable legal fees, be approved.

41. Council Tax Base 2012/13 *(Chief Finance Officer)*

Type of decision

Non-key.

Purpose of report

The report sought approval to the calculated Council Tax Base for 2012/13 which would be used for council tax billing purposes.

Issue(s) for consideration by Portfolio Holder

The Assistant Chief Finance Officer reported that the Council was required by law to calculate its Council Tax Base for the forthcoming year, and inform the major precepting authorities (Cleveland Police Authority and Cleveland Fire Authority) and local precepting authorities (Parish Councils), before 31st

January 2012. The Council Tax Base is expressed as the number of band D equivalent properties. The report set out how the Tax Base was calculated and a statement showing the calculation of the Council Tax Base for the Borough of Hartlepool was shown as an appendix to the report.

The Assistant Chief Finance Officer indicated that in the current economic climate it would not be unreasonable to expect bad debts to increase. This would normally lead to an increase in the non-collection level which is currently set at 1.5%. However, the level of in year collection of Council Tax for 2011/12 was being sustained and long term collection rates continued to be positive, therefore, it was not proposed to amend the non-collection level.

Appendices to the report set out the statement of calculation of the Council Tax Bases for the various Parishes who levy precepts on the Collection Fund. The calculations follow the same principles as those adopted in the calculation of the Council Tax Base for the whole Borough. As it was necessary to request details of precepts from the Parishes, tax base calculation information had been transmitted, on a provisional basis, to the various Chairpersons in advance of this meeting.

The Portfolio Holder questioned the effects of reducing the non-collection level to 1% and what affect that would have on the council's new contractors. The Assistant Chief Finance Officer commented that it would only affect the authority adversely and not the contractor as there were already performance related targets set out in the proposed contract.

Decision

- a) That a Council Tax Base for 2012/13, of £28,000.60 be approved.
- b) That a Council Tax Base for those Parishes capable of levying a precept upon the Council's General Fund be approved as follows: -

Brierton	12.9	Greatham	669.3
Claxton	15.5	Hart	306.1
Dalton Piercy	101.3	Newton Bewley	32.0
Elwick	451.1	Headland	998.7

42. Local Government (Access to Information) (Variation) Order 2006

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 it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006, namely, information relating to the financial or business affairs of any particular person (including the authority holding that information).

Minute 43 Hartlepool and District Indoor Bowls Club Ltd.
Minute 44 Support for Business

43. Hartlepool and District Indoor Bowls Club Ltd (*Assistant Director (Resources) and the Assistant Director (Community Services)*)

Type of decision

Non-key.

Purpose of report

To consider a request for financial assistance from Hartlepool and District Indoor Bowls Club Ltd (HDBIC).

Issue(s) for consideration by Portfolio Holder

Details were set out in the exempt section of the minutes.

Decision

The decision was set out in the exempt section of the minutes.

44. Support for Business (*Chief Finance Officer*)

Type of decision

Non-key.

Purpose of report

This report sought the Portfolio Holder's approval to award hardship relief via the Business Rates scheme to a local business that is currently experiencing financial difficulties brought about by the current economic climate.

Issue(s) for consideration by Portfolio Holder

Details were set out in the exempt section of the minutes.

Decision

The decision was set out in the exempt section of the minutes.

The meeting concluded at 10.55 a.m.

P J DEVLIN

CHIEF SOLICITOR

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