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**JOINT FINANCE, RESOURCES & PARTNERSHIPS
AND
ECONOMIC DEVELOPMENT & ENTERPRISE
SCRUTINY COMMITTEES**

Tuesday, 16th December, 2014

Present:- Councillor David Stringer – in the Chair

Councillors Baker, Fear, Hambleton, Holland, Huckfield, Jones, Loades, Matthews, Owen, Plant, Rout, Shenton, Simpson, Stubbs, Sweeney, Taylor.J, Waring, Wilkes, Williams and Williams

Portfolio Holder for Planning and Assets
Portfolio Holder for Finance and Resources

Officers Executive Director Regeneration and Development Services
Executive Director Resources and Support Services
Scrutiny Officer

1. **APOLOGIES**

Councillor Wallace

2. **DECLARATIONS OF INTEREST**

There were no declarations of interest.

3. **CAPITAL STRATEGY 2015/2016**

The Executive Director Resources and Support Services introduced the Capital Strategy 2015 to 2019.

Following consideration by Cabinet on the 14th January 2015, the Strategy would be submitted to Council on the 25th February 2015 for final approval.

Two key reports had been submitted to Cabinet over the last twelve months. The first report went to Cabinet on the 5th February 2014 called Newcastle Capital Investment Programme which set out the investment needed over the period spanning 2015/2016 to 2018/2019 in order to replace or maintain operational assets so that services could continue to be provided in accordance with the corporate priorities and to ensure the safety and comfort of staff and customers to comply with statutory provisions.

The second report called Funding the Council's Capital Investment Programme went to Cabinet on the 15th October 2014 which set out options for funding the capital investment. Accordingly Cabinet resolved: ***“That Cabinet agrees with the principle that the Council, as first resort, will seek to fund its future known capital programme needs through the annual asset management planning process by the identification of land or property in its ownership that is capable of, and appropriate for, disposal”.***

The following concerns/questions were raised by Members and answers provided by the Executive Director, Resources and Support Services and the Executive Director, Regeneration and Development Services:-

1. Clarification was sought on the following points:-

- Why had this amount of expenditure been incurred on warm zone empty homes?
- Paragraph 12.2 stated “*The following charts illustrate the scale of expenditure which the Council **may need to fund** over the next few years*” but in paragraph 12.3 it stated “*In addition to the essential works outlined in paragraph 12.2, there are significant amounts of expenditure **which need to be incurred***”.
- Paragraph 12.5. “*Work is ongoing to compile a basic programme containing those projects which it can be foreseen will be necessary to ensure service delivery ...*”. This inferred a basic programme would be assembled.

The Executive Director, Resources and Support Services advised that the basic programme would be submitted to Finance, Resources and Partnership Scrutiny Committee in January 2015 which would tidy essential wording. There was a need to have the Strategy to deal with the investment.

The Executive Director, Regeneration and Development Services explained that across the whole of the organisation Service Managers had been asked to forecast their capital expenditure programme over the next five years and to ensure limited available funds were delivered to the right premises.

The Housing Programme had specific reference to the housing capital investment and enabled Officers to work with property owners to bring them up to a satisfactory condition for occupation. Any Members who had specific questions were invited to meet with Officers independently.

2. It was asked for an extra section to be included into the Strategy identifying the seven sites, as potentially surplus and suitable for disposal, in order for the Council to fund its capital programme ambitions.

3. It was also asked how did the new homes bonus operate?

The Executive Director, Resources and Support Services advised that the new homes bonus was split between revenue and capital budgets and would clarify the exact figure.

RESOLVED:-

- (a) That the Executive Director, Resources and Support Services provide clarification on the exact figures relating to the revenue and capital budgets for the new homes bonus.

4. ASSET MANAGEMENT STRATEGY

The Executive Director, Regeneration and Development Services introduced the draft Asset Management Strategy 2015/16 to 2017. The Strategy provided a clear

framework for understanding the value and condition of property owned by the Council so that, in turn, investment decisions can be taken to optimise the use of the said land/property to meet the needs of the Borough's residents, businesses and visitors.

Below are eight questions, along with feedback, which Members were asked to focus the scrutiny discussion around.

Clarification was provided by the Executive Director, Regeneration and Development Services.

Q1: Are Members satisfied with the broad thrust of the Strategy?

Feedback received:-

There was not a need to use the sites for capital programme at the present time and the order of disposal was one for concern. With regard to the section in appendix 4, would the Council be looking at the sale of sites separate to the Local Plan and was the Council looking to link both together?

A1: A local plan call for sites with information was for clarification purposes. Cabinet made the decision to ensure those sites had a recognition.

The Local Planning Authority should determine the merit of those sites from a land use planning point of view. The Executive Director, Regeneration and Development Services advised Members that he would be happy to discuss the order of disposal after the meeting.

A vote was taken asking if Members wished for the call for sites to be included in the Local Plan:-

9 in favour
7 against
2 abstains

Q2: Are Members satisfied with the site selection criteria used to identify potential sites for disposal?

Feedback received:-

Members were not satisfied. Members felt all residents should be able to live within walking distance of public open space.

It was asked who decides the suitability of the sites and what was there in place regarding sequencing

It was suggested to link up green space to different types of exercise or play areas and was asked when would the Green Space Strategy be available?

A2: If, as a landowner, there was no strategic, operational, financial or other public interest reason to hold the land, there was a process to go through to see if the site would be suitable for development.

The sequencing sought to avoid the situation of overflowing the market with sites.

It was agreed at Cabinet on the 10th December 2014 to approve a new Green Space Strategy which would commence in the next calendar year and would take twelve months to complete.

A vote was taken on the site selection criterion used to identify potential sites for disposal:-

9 in favour
9 against

- Q3: Are Members satisfied that the proposed disposal programme will be adequate to meet future known capital programme needs – i.e. for the next three financial years?

Feedback received:-

Members asked for brownfield sites to be explored for disposal and one Member asked why were the sites revolved around Chesterton.

A Member advised that the Brick Kiln Lane and Apedale Road were two industrial estates and were prime sites for job opportunities.

- A3: The Executive Director, Regeneration and Development Services advised that this had been observed but the first site (about eleven acres of land) was within the Green Space Strategy, as semi-natural open space but a developer had approached the Council which could lead to employment within the Borough, subject to displacement of the open space . The second site was within Apedale Road and was a surplus piece of land.

A vote was taken on the proposed disposal programme:-

9 in favour
2 against
1 abstain

- Q4. Do Members wish to identify any further sites for disposal?

Feedback received:-

It was supported that the seven former NDP sites should be reconsidered and not to identify all the sites at this stage.

A vote took place on the seven sites to be reviewed:-

9 in favour
9 against

Resolved:-

That the seven sites are reviewed.

- Q5: Do Members agree with the principle of disposing of Council-owned land where there is no strategic or operational reason for retaining it?

The Executive Director, Regeneration and Development Services advised that it was crucially important for Members to address this point, as a matter of principle. If there was no strategic reason the Council should be able to dispose of the piece of land.

Feedback received:-

Members did not agree with the principle of the disposal

A vote took place on the principle of disposing of Council-owned land:-

17 in favour
0 against
1 abstain

- Q6: Do Members consider that the consultation process is adequate (and with the related principle that amenity considerations should be addressed through Town Planning processes)?

Feedback received:-

From an asset management point Members felt adjacent property owners should be consulted. A Member had no confidence in the town planning and local planning process and his concern was a site being disposed of unknowingly. Secondly there was no Local Plan in place.

- A6: The Portfolio Holder for Planning and Assets advised that the seven sites chosen were due to lack of consultation.

A vote took place on the consultation process:-

9 in favour
9 against

- Q7: Are Members in agreement with the principle that the Local Plan process should determine the most appropriate use of the sites identified in the response to the Local Plan "Call for Sites"?

Feedback received:-

A Member asked would the community determine the call for sites in the Local Plan consultation?

The risk of sites going into the Local Plan for consideration would be the developer submitting an application.

The Executive Director, Regeneration and Development advised the sites were not presently in the Local Plan. The Local Planning Authority would publish all the sites.

A vote took place asking Members if they were in agreement with the Local Plan process:-

10 in favour
0 against

Q8: Are Members satisfied that adequate consideration is being given to maintaining the Council's property assets and minimising risks from a health and safety perspective?

Feedback received:-

One Member was not in agreement with minimising the risk of the health and safety.

The Portfolio Holder for Planning and Assets advised that all statutory testing (for example water and alarm testing) was carried out in every building that required it.

A vote took place asking if Members were satisfied that adequate consideration was being given to maintaining the Council's property assets and minimising risks from a health and safety perspective:-

13 in favour

3 against

2 abstain

RESOLVED:-

A vote was taken and by each Committee separately on the Asset Management Strategy.

Finance, Resources and Partnerships Scrutiny Committee

5 in favour

5 against

Casting vote in favour

Economic Development and Enterprise Scrutiny Committee

5 in favour

5 against

Casting vote in favour

COUNCILLOR DAVID STRINGER
Chair