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COMMERCIAL BOARD

Minutes of a Meeting held on Thursday 03 October 2019 in the Council Chamber, Town Hall, Matlock at 6.00 pm.

PRESENT

Councillor Tony Morley - In the Chair

Councillors Matthew Buckler, Garry Purdy, Mike Ratcliffe and Andrew Shirley.

Paul Wilson (Chief Executive), Sandra Lamb (Head of Corporate Services), Tim Braund (Head of Regulatory Services), Karen Henriksen (Head of Resources), Rob Cogings (Head of Housing), Mike Galsworthy (Estates & Facilities Manager), Giles Dann (Economic Development Manager) and Jackie Cullen (Committee Assistant).

Cllrs Martin Burfoot, Sue Burfoot, David Hughes and Steve Wain attended as observers.

APOLOGIES

Apologies for absence were received from Councillor Steve Flitter.

163/19 – MINUTES

It was moved by Councillor Mike Ratcliffe, seconded by Councillor Andrew Shirley and

RESOLVED That the minutes of the Commercial Board meeting held on 13 March (unanimously) 2019 be approved as a correct record.

The Minutes were signed by the Chairman.

164/19 – CREATION OF PSP DERBYSHIRE DALES LLP – UPDATE

The Board considered an updating report on progress towards the formation of a statutory limited liability partnership, PSP Derbyshire Dales LLP. At the 12th December 2018 Board meeting, Members resolved (Minute 281/18) that subject to the receipt of satisfactory credit and referencing checks, Council was recommended to approve, under the provisions of the Limited

Liability Partnership Act 2000, the creation of a limited liability partnership (LLP) between the Council and PSP Facilitating Ltd (PSP) and to be called PSP Derbyshire Dales LLP.

Following the election of a new council in May 2019, it was now considered appropriate that the Board received an update report on this matter in order to determine whether it still wished to proceed with the formation of PSP Derbyshire Dales LLP. The matter was therefore presented back to the Board for consideration, as set out in the report.

Following belated receipt of the documentation from PSP Facilitating Ltd, an internal process of due diligence had been undertaken which revealed a number of issues which required further clarification. In order to protect the Council's interests, the Head of Corporate Services appointed external Solicitors to undertake a comprehensive review of the partnership documents and advise accordingly. The external review had now been completed, although the delegated authority already granted to the Head of Corporate Services had not been exercised.

The key issues were summarised in section 9 of the report and the Head of Corporate Services advised Members at the meeting that it was now considered untimely to enter into a partnership at this time due mainly to concerns over the disproportionality of benefits to the Council and the significant level of obligation that would rest on individual Council Members. It was recommended that the partnership be re-examined when the Council had a defined project in mind and the level of expertise required was higher than the Council had in-house. In the meantime it was proposed that smaller scale projects could be undertaken in-house.

The Chief Executive advised that PSP were in discussions with Derbyshire County Council, and it was hoped that Derbyshire Dales District Council may potentially be able to join that partnership in due course, with fewer risks attached.

It was moved by Councillor Garry Purdy, seconded by Councillor Mike Ratcliffe and

RESOLVED
(unanimously)

1. That progress towards the formulation of PSP Derbyshire Dales LLP be noted;
2. That the Board agree to postpone its formulation of PSP Derbyshire Dales LLP until such time as the Board considers it has an appropriate project;
3. That the Council consider engaging in a partnership opportunity, should it arise, with PSP and DCC;

165/19 – COMMERCIAL INVESTMENT STRATEGY IMPLEMENTATION

The Board considered a report that summarised its achievements to date and sought to agree the areas of activity to be pursued during the next 12 months.

Various commercialisation opportunities in the public sector were listed in the report, together with the criteria agreed by Council for assessing those opportunities, and the commercial activities with which the Council was already engaged.

The Board had also considered an outline proposal on the potential for the District Council to embark upon a modest programme of future council house building which had the potential to generate a sustainable revenue return on investment, as outlined in the report.

The priority focus to date had been on evaluating the potential of the Council's own land and property assets, including the use of surplus assets arising from the public conveniences review. It was considered that the most viable opportunity for generating additional income and divesting the authority of future liabilities was the most appropriate strategy to pursue.

However, the board were invited to consider whether there were other commercial ventures that it wished to pursue over and above those outlined in the report. The following ideas were put forward, in order of priority:

1. Investigation into provision of an anaerobic digestion plan in line with that commissioned by the Youlgrave Transition Environment Group;
2. Potential projects put forward by the Climate Change Working Group, including consideration of solar panels and electrical vehicle charging points on Council property;
3. The creation of a crematorium for the Derbyshire Dales District.

The Chief Executive advised Members that the next step would be the preparation of a business case, including financial appraisal and available resources, in line with the Council's Commercial Investment Strategy. Proposals would then be brought back to the Board to consider whether it wished to pursue any.

It was suggested that David Frederickson be invited to make a presentation to the Board on the anaerobic digestion plant, should the business case look promising.

It was moved by Councillor Garry Purdy, seconded by Councillor Matthew Buckler and

RESOLVED
(unanimously)

That business cases for the following projects put forward by the Board be considered and brought back to Members in due course:

1. Investigation into provision of an anaerobic digestion plan in line with that commissioned by the Youlgrave Transition Environment Group;
2. Potential projects put forward by the Climate Change Working Group, including consideration of solar panels and electrical vehicle charging points on Council property;
3. The creation of a crematorium for the Derbyshire Dales District.

166/19 – ALTERNATIVE USE OF ASSETS – PUBLIC CONVENIENCES

The Board considered an update on progress of various schemes following the previous consideration of business cases outlining the viability of options to develop or dispose of assets formerly and currently used as public conveniences.

At its meeting on 25th October 2018, the Board considered the findings of business cases outlining the viability of options to develop or dispose of assets formerly and currently used as

public conveniences, as listed below in the report, as well as the future use of facilities in Hall Leys Park including the Play Area Public Conveniences, Ranger Station, Ammo Store and Putting Green. An update on the current position regarding each site was set out in the report, and summarised below:-

Bakewell Recreation Ground

Pre-application advice from the Peak District National Park Planning Authority in respect of conversion of part of the building to form a park café and consolidation of the public convenience facilities into a smaller area raised concerns of a potential detrimental effect on trade within the town centre and impact on the amenity of neighbouring properties. Further, DCC had now completed a structural survey and had provided advice on conversion costs of just under £130K. A copy of the initial costings were included at Appendix 1 to the report. It was therefore considered that the best approach would be to advertise for Expressions of Interest in adapting the building and establishing a concession in the facility

Bus Station, Matlock (Appendix 2 to the report)

Following some initial preparation works the waiting room was placed on the market with Salloways of Derby in May 2019, as set out in the report. A copy of the marketing particulars was attached at Appendix 2 to the report. However, there had been little interest in the unit to date from the marketing exercise and the main national operators considered it to be in too quiet a location for their requirements.

It was reported that in the meantime the neighbouring Station House had now become vacant, which may have an effect on the viability of the waiting room. A plan showing the location of Station House and the waiting room was attached as Appendix 3 to the report. It was therefore proposed that a report be presented to the next meeting of the Commercial Board considering the site as a whole and in the meantime the marketing of the waiting room continued in the hope that an operator may come forward.

Councillor Garry Purdy, Leader of the Council, advised Members that a meeting with Mr Steve Chatto of Memrac was scheduled for the following week in respect of rail development between Manchester and Matlock. Cllr Purdy would report back in due course on Memrac's plans.

Artists Corner, Matlock Bath

The Board previously agreed to pursue an option to consider the commercial development potential of this site. A team of officers had been selected from the Council's new Corporate Property Group (CPG) to produce a planning brief for this site. The group had met once and advice had been received from Legal and Planning. A further meeting was due to take place shortly with the aim of reporting back to the next Board meeting.

A copy of a presentation outlining the main issues and challenges was attached as Appendix 4 to the report.

Since the group had met, the Council had also received an expression of interest from a group of local residents in taking a Community Asset Transfer of the toilet block with a view to re-opening it. It was recommended that this be acknowledged at the current time pending further discussion once the outcome of the Planning Brief process was known.

It was reported at the meeting that since the report had been written, a local canoe club had also expressed an interest.

Children’s Play Area, Hall Leys Park / Knowleston Place, Matlock

Matlock Town Council had agreed to a Community Asset Transfer of this facility and had taken over responsibility on the basis of a Tenancy at Will, whilst the full legal documentation was being prepared. Following a full refurbishment of the play area toilets by Matlock Town Council earlier this year, it was reported that the improved facility had been well used over the busy summer period. In line with other District Council operated facilities in Matlock, the toilets operated with a 20p entry charge, the proceeds of which contribute to the Town Council’s cleaning and operating costs of the facility.

Rangers Station and Ammo Store, Hall Leys Park, Matlock

The Community and Environmental Services staff moved back into the Ranger Station in November last year and following a period of marketing in December and January, a number of Expressions of Interest had been received in the Ranger Station, Ammo Store and Putting Green site. Following analysis of the bids received, interest from 2 parties in the Ranger Station and the Putting Green had been selected for further consideration, as set out in the report.

Until such time as terms are agreed for this potential re-use of the Ranger Station, it was recommended that the Ammo Store be kept unused pending possible future conversion to provide alternative staff welfare facilities in the Park once timescales were known, in which case a business case would be prepared to include the £20K estimated conversion cost in the Council’s Capital Programme.

It was moved by Councillor Garry Purdy, seconded by Councillor Andrew Shirley and

RESOLVED
(unanimously)

1. That the Board approves advertising for Expressions of Interest in establishing and operating a concession in the Bakewell Recreation Ground facility.
2. That the Board notes the outcome of the marketing of the waiting room at Matlock Bus Station and approves its continuation pending a report to a future Board meeting on the wider site including the recently vacated Station House.
3. That the Board notes the progress on developing a Planning Brief for the former public conveniences at Artists Corner, Matlock Bath and that the approach for a Community Asset Transfer of the facility is acknowledged pending further discussion at the next Board meeting once the Planning Brief has been prepared.
4. That the Board notes the current position following the redevelopment of the Children’s Play Area Public Conveniences at Hall Leys Park, Matlock following the leasehold transfer of the facility to Matlock Town Council.
5. That the Board notes the current position following receipt of Expressions of Interest in the Ranger Station and Putting Green in Hall Leys Park, Matlock.

167/19 – LAND AT BAKEWELL ROAD, MATLOCK

The Board considered a report on recent work and was asked to agree the forward work programme including seeking formal Expressions of Interest in the site, resourcing and approach to public consultation.

Details of the work undertaken to date were set out in Section 1 of the report and at its last meeting the Community & Environment Committee received an update on progress with identifying redevelopment proposals for the Bakewell Road site and approved further feasibility work to scope redevelopment opportunities to include a cinema development within the Market Hall (report of 21 August 2019 refers). At that stage it was agreed that the work programme would focus on what could feasibly be delivered within the site comprising the freehold ownership of the District Council. Engagement had been undertaken with key stakeholders, as listed in the report.

Work undertaken since the last report was outlined in paragraph 2.1 of the report, together with work in progress in paragraph 2.2 of the report.

To establish commercial interest in the site a two staged process was proposed:

STAGE 1 - advertising the opportunity for conversion and redevelopment of the site and inviting Expressions of Interest from the market – this would include the Market Hall building and covered bus bay area. Expressions of interest would be invited for the whole or part of the site.

Subject to receipt of formal proposals and assessment:

STAGE 2 - shortlisted parties would be invited to prepare detailed proposals for consideration.

Both stages of the process would include details of the method for assessing proposals.

A summary of the proposed forward work programme was tabled in paragraph 2.4 of the report, with issues identified discussed in the subsequent paragraphs. Potential funding from the D2N2 Partnership would be made known within the next two weeks.

As indicated in paragraph 2.4 of the report, the programme provided for Expressions of Interest at the end of October and, subject to the outcome of Stage 1, detailed proposals in the New Year. Senior officers, with the support of the Council's retained Commercial Advisor Thomas Ltd., would undertake the assessment of proposals, respecting commercial sensitivities. The programme would be updated as work progressed.

A solution regarding alternative bus lay-by provision needed to be agreed with the County Council, and how this could be funded prior to any proposed redevelopment. The issue of retaining bus circulation through the site remained a constraint and finding a solution posed a risk to the project. Councillor Garry Purdy, Leader of the Council, advised the Board that he had recently met with two Officers from DCC in this regard.

With regard to resources at this stage in the process, it was proposed that further site survey work required be funded by the Commercial Investment Fund and commissioned by the Estates Team. It was reported at the meeting that the Commercial Fund would contribute £3,000 towards the cost of drainage survey work. The remaining work would be undertaken by the Economic

Development team with support from Thomas Lister Ltd., with consultancy support funded from the approved Economic Development Reserve.

A further report and business case would be brought to the Commercial Board with regard to potential project funding, including consideration of project management resources.

In addition to the Bakewell Road site, work was on-going to establish the feasibility of bringing forward an initial phase of workspace at the allocated Middleton Road / Cromford Road site, Wirksworth. Subject to the conclusion of current work and consideration of the current planning application for the site, a separate report would be brought to the Commercial Board for consideration.

It was moved by Councillor Garry Purdy, seconded by Councillor Mike Ratcliffe and

RESOLVED

(unanimously)

1. That the further work being undertaken be noted and the forward programme for progressing redevelopment proposals and consulting with stakeholders be approved, to include public consultation as early as possible.
2. That the Commercial Investment Fund contributes £3,000 towards the cost of further drainage surveys;
3. Formal market interest in the site be invited and proposals considered following the process identified within the report;
4. Discussions continue with Derbyshire County Council to pursue a solution regarding bus circulation and adequate bus bay provision;
5. The MCV Steering Group be engaged in shaping an indicative layout and draft development brief for the site and a representative be invited to be part of the assessment process at Stage 1: Expression of Interest stage;
6. The approach to resourcing the remaining project work at this stage be noted;
7. That a subsequent report and business case be brought back to the Commercial Board for consideration subject to the outcome of the Stage 1 process.

168/19 – BUILDING NEW COUNCIL HOUSING – BUSINESS CASE UPDATE

The Board considered an updating report that set out a business case for potential investment in a modest programme of new Council housing, designed to yield an ongoing rental stream and provide good quality social housing whilst minimising risk to the Council. Management and maintenance services would be delivered by a third party such as housing associations or private agents.

The initial proposal was outlined in Section 1 of the report and at the Commercial Board meeting on the 13th March 2019, approval was given to further develop the business case, devise a project delivery plan and report back to the Commercial Board. The support from Altair, the Council's Housing and Property Consultants, had come to an end in April 2019, however officers had been working on a proposal to re-engage Altair so the project could continue. Altair had provided a specification for the next phase of the project and officers in Legal and Housing were working on the procurement process. The LGA funding had moved towards a smaller number of

more strategic projects and as such, a further bid from the Council to deliver the next phase was less likely to be successful.

The case for building new council homes was set out Section 2 of the report, with proposals for building and managing the homes set out in Section 3 of the report. Altair had assessed the Council's initial appraisals and had developed the business case further. Their assessment clearly demonstrated the feasibility of the programme, and some of the benefits of the direct delivery approach were listed in paragraph 4.1 of the report. However, there were some resource implications for the Council to consider, as set out in paragraph 4.2 of the report.

It was also reported that the Council had been bequeathed a house in the district and capital funding (approx. £100,000) which would help to support the proposed development programme.

Phase two (2019/20/21) of the Council House Business Case was proposed to take place over the next 12 months, as set out in Section 5 of the report. The cost of procuring support for Phase 2 of the business case (estimated to be £27,800) would come from the Community Led Housing fund, a grant already received from government.

The Leader of the Council asked Members to note that DDDC as an authority were taking the lead on this initiative, and thanked the Head of Housing for his efforts.

It was moved by Councillor Garry Purdy, seconded by Councillor Mike Ratcliffe and

- RESOLVED**
(unanimously)
1. That the Commercial Board notes the business case update,
 2. The Commercial Board receives further reports as progress in developing Phase 2 continues
 3. Reports to Community and Environment committee and full Council take place to ensure the appropriate approvals are given at key intervals over the course of the project.

MEETING CLOSED 7.41PM

CHAIRMAN