

**MEETING OF MIDDLESBROUGH COUNCIL**

At the Meeting of Middlesbrough Council, lawfully convened, and held in the Town Hall, Middlesbrough on 18 July 2018.

**PRESENT:** Councillors S E Bloundele (Chair), R Brady (Vice-Chair), R Arundale, S Biswas, D J Branson, J Brunton Dobson, Mr D Budd, M Carr, D P Coupe, D Davison, S Dean, J Goodchild, T Harvey, A Hellaoui, B A Hubbard, N Hussain, L Lewis, J McGee, J Mohan, G Purvis, P Purvis, J Rathmell, C M Rooney, D Rooney, J Rostron, M Saunders, M Storey, M Thompson, N J Walker, V Walkington, M Walters and L Young

**OFFICERS:** S Bonner, J Bromiley, B Carr, J Etherington, A Hoy, S Lightwing, A Pain, T Parkinson, K Whitmore

**APOLOGIES FOR ABSENCE** were submitted on behalf of Councillors Councillor J Blyth, Councillor E Dryden, Councillor T Higgins, Councillor C Hobson, Councillor J Hobson, Councillor T Lawton, Councillor T Mawston, Councillor D McCabe, Councillor L McGloin, Councillor F McIntyre, Councillor J McTigue, Councillor J Sharrocks, Councillor Z Uddin, Councillor J A Walker, Councillor J Young.

**DECLARATIONS OF INTERESTS**

None declared

**1 EXTRAORDINARY MEETING**

A letter had been received by the Monitoring Officer from seven Councillors requesting that an Extraordinary Meeting be held. The letter stated as follows:

The purpose of the meeting is to:

'Debate the closure of the Southlands Centre, the failure to engage stakeholders sufficiently, and the clear process and governance failings. We will also be debating the potential liability to Middlesbrough Council because of a failure to consult with external organisations who hold an interest in the land.'

The Chair invited Councillor Hubbard to speak on behalf of the signatories in support of the request to call an Extraordinary meeting of the Council.

Councillor Hubbard stated that it was important to clarify that in his view, the decision to close the Southlands Centre was carried out under flawed processes. Councillor Hubbard stated that the process and governance failings had been highlighted by Councillor Rathmell at the Scrutiny Call-In meeting held on 11 May 2018, but a decision was still made to close the Southlands Centre.

Councillor Hubbard advised that since the meeting on 11 May 2018, further important information had come to light that officers and Members should have been aware of before making the decision to close the Southlands Centre.

A covenant which was made in 1950 by Captain James Pennyman, existed on the land. The covenant was revised in 2011 to reflect the fact that the ownership of the land rested with the Football Foundation. The covenant stated that the land was protected until 2032 and written consent from the Football Foundation was required if any changes were to be made to the current use of the land. The covenant had not formed part of the decision making process in relation to the Southlands Centre and he queried whether officers knew of its existence and if not why not, as it should have been identified as part of the due diligence process.

Councillor Hubbard stated that in his view, Senior Officers wished to close the Southlands Centre to save money, however a number of costs had failed to be factored in. The all-weather pitches could be required to be built elsewhere at a cost of £1m. The demolition of the Southlands Centre was estimated at £600k and the cost of relocating the businesses

could amount to £200k. Councillor Hubbard stated that the total costs to the tax payer of Middlesbrough could be £1.8m. This did not include the cost of the new community hub. Requests had been made with regard to identifying where the finance would come from and where the hub would be located, however no information had been received.

Councillor Hubbard referred to a number of previous projects that had not come to fruition such as the projects for the casino and the glass dome over the quadrangle etc.

The businesses located within the Southlands Centre had requested a loan of £1.7m from the Council to repair and refurbish the centre to keep it open. The businesses would then pay the money back which would result in no cost to the Council.

Councillor Hubbard referred to a leaflet that had been distributed that had indicated that the Independent Councillors were opposed to the building of a new community hub. He advised that this was not true. The Independent Members had requested details on the proposed location and the finance that had been set aside for the building of the hub. The leaflet had also indicated that the Southlands Centre was crumbling but he stated that this was as a result of the failure by the Council to maintain the Centre. Councillor Hubbard advised that he had heard that the new community hub would not be built for another three years and he stated that was not acceptable. Councillor Hubbard opened up the issue for debate.

Councillor N Walker stated that she would like to speak briefly in response to the petition that had been handed in earlier and she thanked Mrs Woods for submitting the petition. Councillor Walker advised that the Council had tried over a two year period to try and find a viable solution to keep the Southlands Centre open. However it did become clear that the size and condition of the former school building was against it and no solution could be found. The costs associated with maintaining the Southlands Centre over a 10 year period amounted to £450k - £652k and after that ten year period the £1.7m referred to by Councillor Hubbard, would not have been paid back.

The Council had recognised that there was a need for a community facility that was fit for purpose in East Middlesbrough and the reason why a specific location had not been identified was because as part of the consultation process, the views of the community would be sought. The new facility would be based in East Middlesbrough.

Councillor Walker stated that she hoped that Mrs Woods would feed her views into the consultation process with regard to what activities she would like to see happening at the new community hub. The Council were currently looking into finding alternative facilities for those activities that were taking place at the Southlands Centre until the new venue was built so that the activities could continue. Some of the people that attended activities were not based in the area so other activities could take place elsewhere for the broader Middlesbrough public.

Councillor Walker stated that she understood that people had a great affection for the Southlands Centre but the Council were trying to find a fit for purpose solution for future generations. The Executive Member pointed out that even if the money had been spent on the Southlands Centre, it would still not be fit for purpose in future years.

In terms of the restriction, the freehold of the land was held by Middlesbrough Council and there was a covenant placed on it for the purpose of protecting the football pitches and the investment of the Football Foundation in those pitches. The Council would be unable to dispose of the land without the consent of the Football Foundation. There was however no reason to suppose that the Football Foundation would not come to an agreement with the Council. The reason why all of the land was included was because that was what was included on the land registry.

The Council had not commenced any steps to dispose of the land. This was made clear in paragraph 32 of the report. The report indicated that a report in relation to the future of the land would be submitted to Executive in 2018, and it would be at that stage that issues such as covenants could be considered. The Council were aware of the restriction on the football pitches but the decision regarding the Southlands Centre did not involve the football pitches. The decision with regard to the Southlands Centre was in relation to the operational use of the

building, not the land.

Officers had been in conversation with the Football Foundation with regard to the implications of the closure of the Southlands Centre building on the football pitches particularly in relation to the toilets. The Council would be looking to comply with the Football Foundation's wishes in that respect. It was highlighted that the Council did not need the Football Foundation's permission to close the Southlands Centre.

The decision made in April 2018, after two years of attempts to keep the building open had been subject to call-in, it was also subject to call-in in 2017. At the Call-in meeting it was alleged that there had not been sufficient consultation. The Executive Member stated that there had been 27 different instances over an eight month period where consultation had occurred with stakeholders and consultation was still ongoing. With regard to the £200k to relocate businesses referred to by Councillor Hubbard, the budget for this was up to £100k and this was included in the report.

The Executive Member also pointed out that in respect of Value for Money, the audit report did not say that the Council did not achieve Value for Money in respect of the monetary value for assets, it was in relation to the governance arrangements, but the Executive Member urged Councillor Hubbard to read the latest audit report in respect of this issue. The Executive Member also expressed concern in relation to some Members behaviour towards officers in respect of this issue.

Councillor Rathmell stated that he appreciated that a decision to close the centre was not made until earlier this year but the covenant had not been mentioned in any of the reports. He stated that the Council were having discussions regarding the sale of the Southlands Centre in July and September of the previous year. He queried at what point had due diligence been raised.

The Chair invited the Executive Member to respond.

Councillor Walker stated that as far as she was aware that the officer responsible for the report was not aware of the covenant but they were aware of the restrictions on the football pitches. With regard to the freehold, the Executive Sub Committee for Property rejected a proposal for the freehold of the land from a third party who wanted to take the freehold of the land but could not guarantee the use of the Southlands Centre as an enterprise centre. The restriction on the land only specified that the Council would be unable to dispose of the land without the consent of the Football Foundation.

Councillor Rathmell indicated that a Disposal Business case should have been carried out in respect of the Southlands Centre. The Chair indicated that there was no right of reply to the information provided by the Executive Member.

The Chair invited Councillor Hubbard to sum up.

Councillor Hubbard indicated that in his view there was no proof that payments would not have picked up to repay the loan if it had been granted. He stated that the Executive Member had pointed out that the Southlands Centre was old, but £7.1m had been spent on the restoration of the Town Hall.

The Council was looking to relocate eight businesses to Natures World but this would take up all of the £100k allocated for the relocation of businesses.

In respect of the comment regarding the Executive Member's concerns regarding the treatment of staff by some Members, Councillor Hubbard advised that the Standards Procedure was available to any staff that had a complaint against a Member.

The Chair advised that as there was no further business, the meeting was now closed.

