

EXECUTIVE SUB-COMMITTEE FOR PROPERTY

A meeting of the Executive Sub-Committee for Property was held on 9 July 2012.

PRESENT: Councillors D Budd, M Carr and C M Rooney and N J Walker

PRESENT AS OBSERVERS: Councillor J Cole and C Hobson

INVITEES: Councillor J Brunton

OFFICIALS: Susie Blood, Sharron Brown, Michael Canavan, Nasreen Nazir, Fiona Reeve, Paul Stephens and Rachel Steel

APOLOGIES FOR ABSENCE: Councillor B Coppinger

DECLARATIONS OF INTERESTS

Name of Member	Type of Interest	Item/Nature of Interest
Councillor J Brunton	Personal/ Non Prejudicial	Item 5: Community Services Review- Langdon Square Community Centre Member of Management Committee and Trustee of Langdon Square Community Centre Item 8: Former Lingfield Countryside Centre and Surrounding Land Member of Management Board.
Councillor J Cole	Personal/ Non Prejudicial	Item 5: Community Services Review- Langdon Square Community Centre Member of Management Committee Item 8: Former Lingfield Countryside Centre and Surrounding Land Member of Management Board.
Councillor NJ Walker	Personal/ Non Prejudicial	Item 8: Item 8: Former Lingfield Countryside Centre and Surrounding Land Original decision maker of grant

12/5 **MINUTES OF THE MEETING HELD ON 19 JUNE 2012**

That the minutes be accepted as a true record.

12/6 **COMMUNITY SERVICES REVIEW- MILL FIELD PLAYING FIELDS**

The Chief Executive submitted a report that sought approval to move to the business case stage for Community Asset Transfer of Mill Hill Playing Fields to the Raw Foundation.

The report outlined that to promote community-led regeneration and to support an increasingly robust Voluntary, Community and Social Enterprise Sector, the Council recognised the benefits of transferring surplus assets to community management. To support increased community management of assets, Executive Sub-Committee for Property approved a Community Asset Transfer (CAT) policy on 3 February 2012.

The Council listed six buildings as potentially available for CAT in February 2012, including Mill Hill Pavilion / Playing Fields.

The current condition survey stated that the pavilion had reached the end of its serviceable life and recommended demolition, which was currently being progressed. The Raw Foundation's Expression of Interest proposes a new pavilion for the site. The Raw Foundation would lead in the development of the pavilion, and its partner, Cleveland Juniors Football Club, would make the pavilion their base and run it.

On 13 March CMT selected The Raw Foundation as the most viable partner for the site, but requested additional information relating to capital funding and running costs for the new pavilion. This additional information has now been received and was set out within the report.

The estimated cost of the new pavilion was £200,000. It was anticipated that it would be 100% externally funded, details of this were outlined in the report.

The report stated that while the information provided to date by Raw Foundation regarding expected income and expenditure suggests that the facility will be self-sustainable, a detailed cost benefit analysis will be undertaken during the business case stage, which would be completed in July 2012.

The report outlined that there were two options available:

1. Do nothing – the existing pavilion building would be demolished in the next two months and has been temporarily replaced by a container. This option was rejected as a permanent replacement for this well-used football site is required.
2. Proceed with Raw Foundation - A permanent replacement for the pavilion was therefore the only viable option, and the Raw Foundation's proposal could deliver this at no cost to the Council.

The stage next, if approval to proceed were received, the business case would be prepared in July and presented to the Committee in August 2012.

Councillor NJ Walker asked that Ward Councillors be fully informed throughout the process of all the Community Services reviews.

ORDERED

That the development of a business case for the transfer of the Mill Hill Playing Fields site to the Raw Foundation be approved.

REASON

The decision was supported by the following reason:

The asset transfer of Mill Hill playing fields will keep in use for football a local facility in Acklam and enable the retention of a local junior football team, Cleveland Juniors, in the area

12/7

COMMUNITY SERVICES REVIEW- LANGDON SQUARE COMMUNITY CENTRE

The Chief Executive submitted a report which sought approval to progress the asset transfer of Langdon Square Community Centre to the Centre's existing management committee.

The Mayor's budget proposals for 2012/13 included withdrawing the subsidy to Langdon Square Community Centre. The management committee were keen to take over the running of the Centre and a plan for withdrawal of the subsidy over a three-year period has been drawn up

in agreement with them.

As the withdrawal of subsidy will result in a Council building being run separately from the Council, the legal position requires clarification. It was therefore proposed to utilise the Community Asset Transfer process in this instance.

This would result in a long-term lease, based on a sustainable business case, and would bring the centre in line with other similar centres that are already in this position, e.g. Breckon Hill Community Centre.

As the existing management committee have already proposed to take over the running of the centre, it was not proposed that it was listed for Expressions of Interest for CAT from other parties.

If approval to proceed were received, the business case would be prepared in July and presented to the Committee in August 2012.

There were two options available:

1. Do nothing – the withdrawal of funding from Langdon Square was announced by the Mayor as part of last year's budget so this is not an option.
2. Offer the building for asset transfer – this option was rejected as the existing management committee are keen to take on the running of the centre and have been working with officers on a plan for withdrawal of subsidy since the Mayor's announcement.

ORDERED

That the formalisation of the withdrawal of subsidy at Langdon Square Community Centre using the Community Asset Transfer process be approved.

REASON

The decision was supported by the following reason:

To contribute to a robust VCSE sector and to maximise savings in relation to the Council's withdrawal of services from Langdon Square Community Centre.

12/8

COMMUNITY SERVICES REVIEW- BRAMBLES FARM COMMUNITY CENTRE- PART A

The Chief Executive submitted a report to outline the salient points in the business case for the Community Asset Transfer of Brambles Farm Community Centre to Hope Foundation and that sought approval for the transfer to proceed.

The report outlined that to promote community-led regeneration and to support an increasingly robust Voluntary, Community and Social Enterprise Sector, the Council recognises the benefits of transferring surplus assets to community management.

To support increased community management of assets, Executive Sub-Committee for Property approved a Community Asset Transfer (CAT) policy on 3 February 2012. The standard terms of CAT are for a 25-year lease, under which the tenant is responsible for repairs, maintenance and running costs all sit with the tenant.

The Council listed six buildings as potentially available for CAT in February 2012, including Thorntree Park Pavilion and Pallister Park Centre, which were subsequently approved for transfer on 9 May 2012.

The list also included Brambles Farm Community Centre. Expressions of Interest in this centre were duly considered, and on 13 March CMT selected Hope Foundation as the most viable transfer partner.

In line with the Council's CAT Policy, Hope Foundation had since submitted a business case to the Council to demonstrate that its proposal for transfer is viable.

The report gave details of the Business Case submitted by the Hope Foundation, further details of which can be found within the report.

The report outlined that there were 3 options available:

Option 1: Close and demolish the centre – not recommended

At a cost of £37,717 this option does not represent good value for money and would mean the opportunity to establish a satellite Hope Foundation centre offering training, advice and guidance to people in East Middlesbrough would be lost.

Option 2: Close and re-let the centre – not recommended

It may not be possible to let the Centre quickly, or at all, and this would mean the building standing empty for a period of time. It could then become a target for anti-social behaviour.

Option 3: Transfer the centre to Hope Foundation – recommended

This option represents good value for money, has local community support and will offer training opportunities to local people in East Middlesbrough

ORDERED

That the the transfer of Brambles Farm Community Centre to Hope Foundation be approved.

REASON

The decision was supported by the following reason:

To contribute to a robust VCSE sector and to maximise savings in relation to the Council's withdrawal of services from Brambles Farm Community Centre.

12/9

COMMUNITY SERVICES REVIEW- PARK END COMMUNITY CENTRE- PART A

The Chief Executive submitted a report to outline the salient points in the business case for the Community Asset Transfer of Park End Community Centre to the current Management Committee and that sought approval for the transfer to proceed.

The report outlined that to promote community-led regeneration and to support an increasingly robust Voluntary, Community and Social Enterprise Sector, the Council recognises the benefits of transferring surplus assets to community management.

To support increased community management of assets, Executive Sub-Committee for Property approved a Community Asset Transfer (CAT) policy on 3 February 2012.

The Council listed six buildings as potentially available for CAT in February 2012, including Thorntree Park Pavilion and Pallister Park Centre, which were subsequently approved for transfer on 9 May 2012.

The list also included Park End Community Centre. Expressions of Interest in this centre were duly considered, and on 13 March CMT selected the current Management Committee as the most viable transfer partner.

In line with the Council's CAT Policy, the Management Committee had since submitted a business case to the Council to demonstrate that its proposal for transfer was viable.

The CAT of this building would be more complicated than others currently underway, due to two key factors: these matters were discussed fully within the report:

- The capacity and capability of the current Management Committee is limited, and additional support from the Council and its partners will be required to support the Committee to make the transfer a success.
- That the Council built and manages the building courtesy of a ground lease, so enabling the Management Committee to take over the running of the building for the long-term will involve negotiation with the owner of the freehold (the Secretary of State for Health).

The report gave some recommendations and outlined that if the recommendations were approved, the Council would enter into discussions with the Secretary of State regarding the surrender of the Park End Community Centre and the agreement of a new lease for the Centre with the current Management Committee.

There were 3 options available:

Option 1: Close and demolish the centre – not recommended

At a cost of £38,799 this option does not represent good value for money and would mean the opportunity to empower the community to run a facility for local people would be lost.

Option 2: Under-lease to the Committee for eight years – not recommended

This option would mean that the Committee would have no long-term security of tenure and would be unable to apply for grant funding that could make the difference in terms of the sustainability of the venture. The Council would retain liability for the Centre for the next eight years.

Option 3: Surrender the building and facilitate discussions for new lease – recommended

This option represents good value for money, has local community support and secure a valuable community facility for the area.

ORDERED

1. **That Executive Sub-Committee for Property approve the opening of negotiations with the Secretary of State for Health over the lease of Park End Community Centre, with a view to agreeing a new lease for the Centre's Management Committee.**
2. **That if the Management Committee is successful in agreeing a lease for the Centre, the Council provide a subsidy, tapering off over three years, to enable the Centre to become self-sustaining.**

REASON

The decisions were supported by the following reason:

To contribute to a robust VCSE sector and to maximise savings in relation to the Council's withdrawal of services from Park End Community Centre.

12/10

FORMER LINGFIELD COUNTRYSIDE CENTRE AND SURROUNDING LAND

The Executive Director of Regeneration submitted a report to advise the Executive Land and Property Sub-Committee on potential options for the future use of the former Lingfield Farm Countryside Centre and surrounding site, and sought agreement on the recommended option outlined at para 16-19 (option 2).

The report outlined that Lingfield Farm and the surrounding land is 7.75ha (18.67 acres) in size and is situated within Coulby Newham in south Middlesbrough. It had not been an agricultural concern for some time, but retained a farm building and extensions that were last used as the

Lingfield Countryside Centre (2000-2010).

Since the closure of the Countryside Centre in November 2010, the buildings had been largely unused. They had been marketed for internal use on several occasions without success, and as part of the 2012/13 budgeting process it was confirmed that the buildings would no longer be required for service delivery purposes. The Council now needed to consider options for the future of these buildings.

Any discussion on the future of the buildings must take account of the site context. The buildings are surrounded by green open space to the north and east, currently used as general open space and recreational/ landscaping area, and are bounded by a cycle path to the south. To the west are a play area, pond and allotments. While it has been difficult to establish a sustainable community building in the area, parts of the open space are well used by the local community.

Given that much of the land is surplus to the Council's requirements, consideration need to be given as to what use it can be put to. At the moment, two options stand out: retain the site as some form of public open space, or allocate it for new housing development.

The report further outlined that the National Planning Policy Framework (NPPF) requires a local planning authority to identify sufficient developable land to meet the housing needs of the borough over a 15-year period. The Strategic Housing Land Availability Assessment (SHLAA) is prepared as part of the evidence base to support the allocation of housing sites within the Local Development Framework.

The SHLAA identified a number of sites within the Coulby Newham area as having the potential to deliver housing; however this was not to say that all sites within the SHLAA would be allocated for housing. Lingfield Farm had been identified within the SHLAA as having the potential to deliver 176 housing units in total (further work has been carried out which reduces this figure to a minimum of 140 units as in para 24). The land to the east of Lingfield Farm (L/A Newham Hall Farm) is also identified within the SHLAA as having the potential to deliver over 1000 housing units, it is therefore essential that prior to any decision to develop Lingfield Farm a detailed appraisal considers the impact this will have upon all of the future housing sites coming forward in the Coulby Newham.

There has been local community concerns regarding the possible development of the entire site for housing and the loss of the community facility.

The report outlined that there were 4 options available:

Option 1: Do nothing

Option 2: Retain current use of wider site and explore asset transfer of farm buildings

Option 3: Retain current use of wider site and develop on the site of farm buildings

Option 4: Develop the entire Lingfield Farm site (excl. play area, pond and allotments)

ORDERED

- 1. That Executive Land and Property Sub-Committee notes the potential options for the future use of the former Lingfield Farm Countryside Centre and surrounding site.**
- 2. That a decision on the future of the wider site only be taken following an appraisal of the overall area, taking into account the wider housing needs and opportunities in the town and the ambitions for the area.**
- 3. That the community buildings on the site of the former Countryside Centre be listed as potentially available for community asset transfer as outlined at para 16-19 (option 2). Expressions of Interest are to be sought for one or both of the buildings in order to maximise options.**
- 4. That if a viable option for transfer not be forthcoming, that the site of the buildings be developed into a small-scale residential scheme as outlined at para 20-23 (option 3).**

REASONS

The decisions were supported by the following reason:

1. To ensure that the Council drives the maximum financial and social value from its asset portfolio.
2. If no viable business case is presented for the retention of the Lingfield Farm Countryside Centre, a small residential development scheme, as set out in option 3 should be pursued, as this would provide high quality family housing for the town in line with the Council's wider regeneration aims.

12/11 **REVIEW OF NON - STRATEGIC ASSETS- UPDATE ON FIRST PHASE DISPOSALS - PART A**

The Executive Director of Regeneration submitted a report to update the Executive on progress in relation to agreed first phase disposals from the Non-Strategic Assets Transformation Project, and to seek approval of changes in relation to eleven sites.

The Council has agreed a review of non-strategic assets as part of its joint transformation programme with Mouchel. For the purposes of the review, 'non-strategic assets' are defined as land and property that the Council does not use for service delivery purposes.

Ten categories of non-strategic assets have been agreed. Under the terms of the Partnership contract, the Council has requested that Mouchel prepare a series of Detailed Business Cases outlining potentially economically advantageous options for disposals of land and property under each category.

On 4 April 2012, Executive Land and Property Sub-Committee approved a small first phase of 25 advantageous disposals from the first four asset categories, comprising:

- Nunthorpe Hall Farm buildings and land;
- nine small residential sites;
- the freehold of nine current Ground Leases; and
- six industrial sites.

A reserve price for each site was agreed, based on average capital value less fees, with appropriate adjustments for potential development value and lost income, where relevant.

The agreed aggregated reserve price for the 25 sites was £5.541m, net of fees. It was agreed that the sum achieved would be used to reduce the Council's capital borrowing. With adjustments for lost rental income, this would equate to an estimated £492,000 p.a. net minimum improvement in the Council's revenue position. Offers at or above reserve price would be progressed through delegated powers.

The report updated the Committee on progress in disposing of these assets, and sought approval for changes to:

- the reserve price for two assets (listed in the confidential Part B of the report);
- the decision to dispose of four assets immediately (deferrals); and,
- the disposal method for five residential sites.

The Sub-Committee was advised that the recommendations and supporting text relating to the disposal of residential sites to RSLs would be withdrawn. A full financial business case for each proposed transfer would be prepared, in line with legal requirements, and reported back to the Committee in due course.

The Sub-Committee was requested to consider the remaining recommendations, relating to:

- the original decision to dispose of the Haxby / Slingsby Close site (following the consideration of public representations);
- the valuations of two Ground Leases that had been revised following detailed consideration of lease terms and other factors; and
- the original decision to immediately dispose of three Industrial Sites.

ORDERED

That Executive Land and Property Sub-Committee notes progress to date in relation to first phase disposals.

That the Executive Land and Property Sub Committee:

- **retracts the decision to dispose of the Haxby Close / Slingsby Close site at this stage;**
- **agrees revised reserve prices for the Thistle and Premier Inn Hotels (as set out at Part B of this report);**
- **agrees that the Council pursues a revised lease for the Abattoir at Cargo Fleet Road prior to considering alternative options; and**
- **agrees that Sites K and L on Riverside Park be reserved at this stage as potential decant sites for businesses from Cannon Park.**

REASON

The decisions were supported by the following reason:

To ensure that the Council drives the maximum value from its asset portfolio and that agreed sums for disposals are achieved as quickly as possible.

12/12 **TO CONSIDER PASSING A RESOLUTION EXCLUDING THE PRESS AND PUBLIC FROM THE MEETING DURING CONSIDERATION OF ITEMS 11,12 AND 13 OF BUSINESS ON THE GROUNDS THAT, IF PRESENT, THERE WOULD BE A DISCLOSURE OF IT OF EXEMPT INFORMATION FALLING WITHIN PARAGRAPH 3 OF SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972**

12/13 **COMMUNITY SERVICES REVIEW- BRAMBLES FARM COMMUNITY CENTRE- PART B**

The Chief Executive submitted a report which provided the business case in relation to the Community Services Review: Brambles Farm Community.

ORDERED

That the report be noted.

12/14 **COMMUNITY SERVICES REVIEW- PARK END COMMUNITY CENTRE- PART B**

The Chief Executive submitted a report which presented the business case in relation to the asset transfer of Park End Community Centre.

ORDERED

That the report be noted.

12/15 **REVIEW OF NON-STRATEGIC ASSETS- UPDATE ON FIRST PHASE DISPOSALS- PART B**

The Director of Regeneration submitted a report which provided supplementary information in

relation to the review of Non-strategic assets- update on first phase disposals.

ORDERED

That the report be noted

The decision(s) will come into force after five working days following the day the decisions were taken unless the decision becomes subject to the call in procedures.