

**EXECUTIVE SUB-COMMITTEE FOR PROPERTY**

A meeting of the Executive Sub-Committee for Property was held on 31 August 2012.

**PRESENT:** Councillors B Coppinger, C M Rooney and D Budd (Chair)

**OFFICIALS:** Paul Stephens, Martin Harvey, Sharron Brown

**APOLOGIES FOR ABSENCE:** Councillor N J Walker, Councillor M Carr,

12/22 **COMMUNITY SERVICES REVIEW: DISPOSAL OF NEWPORT NEIGHBOURHOOD CENTRE SITE**

The Director of Adult Social Care and Environment submitted a report that outlined options for the future of the Newport Neighbourhood Centre, which was recently listed as potentially available for community asset transfer.

Newport Neighbourhood Centre (NNC) was not in the first listing of sites available for asset transfer as the original intention (as outlined in the Mayor's budget statement) was to demolish the site for older people's housing.

Following the publication of the budget, however, the Council was approached by a number of parties interested in a potential asset transfer. This triggered the building being listed for possible asset transfer for a two-week period ending 2 May 2012 - with the condition that any transfer must address the condition of the building.

This process ensured that the detail of each expression of interest for transfer would be comparable with the original proposal. All Expressions of Interest can be found in further detail within the report.

1. Erimus proposal: demolish centre and build new housing on the site
2. Proposals for community asset transfer
3. Siri-Guru Harkrishan Sahib-Ji-Gurdwara
4. Jubilee Church Teesside
5. RCCG International Bible Christian Fellowship (IBCF)
6. Middlesbrough Community Land Trust
7. House of Lovely People

Consideration of Expressions of Interest had identified three realistic options for the NNC - the Erimus proposal or transfer to Siri-Guru Harkrishan Sahib-Ji-Gurdwara or the Jubilee Church.

It was however clear that the transfer of the site at nil consideration to Erimus to facilitate the housing development outlined in its Expression of Interest was the best value option.

While all three options would free the Council of all costs associated with the continued operation of the building (day-to-day running costs and the maintenance backlog), the Erimus proposal offers the following additional benefits:

- a significant housing regeneration scheme for the Gresham area in line with the Council's vision for the area;
- additional Council Tax and potentially New Homes Bonus from the scheme, estimated at £80-90,000 p.a. for six years (NHB period), and £44-49,000 pa thereafter; and,
- a saving to the Council of £114,000 as the proposal covered demolition costs.

The report also outlined the following alternative options:

1. Do nothing (mothball the Centre) - this option was not recommended, as it did not represent Best Value to the Council and offered no benefits to the local community. Indeed, it was likely that the building would become a target for anti-social behaviour and so increase costs.

2. Demolish and leave the site as open space - similarly, this option was not recommended due to the cost implications for the Council of demolition and maintenance of the vacated site.
3. Community Asset Transfer - this option was not recommended, as it would result in the loss of the additional benefits resulting from the Erimus proposal outlined in the report. Only two of transfer applications were considered viable - Siri-Guru Harkrishan Sahib-Ji-Gurdwara and the Jubilee Church (which was outlined in the report). Both would require additional investigation in the business case stage to ensure there was (i) local demand, (ii) sufficient income to ensure long term financial sustainability, and (iii) no duplication with the Council provision at Newport Settlement.

#### **ORDERED**

**That the Newport Neighbourhood Centre and St Paul's Hostel site was transferred to Erimus Housing so that it could be redeveloped for housing, in line with the proposal outlined from paragraphs 6-16, and on condition that the buildings were demolished by Erimus within six months.**

#### **REASONS**

**The decision was supported by the following reasons:**

1. **To enable the regeneration of Gresham ward to continue.**
2. **To enable the Council to maximise savings from the Community Services Review.**

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