

**EXECUTIVE SUB-COMMITTEE FOR PROPERTY**

A meeting of the Executive Sub-Committee for Property was held on 1 October 2013.

**PRESENT:** Councillors D Budd, M Carr, C M Rooney, J Sharrocks, B Thompson and N J Walker

**OFFICIALS:** David Velemir and Sharron Brown

**APOLOGIES FOR ABSENCE:** Councillor J Rostron

13/76 **TO CONSIDER PASSING A RESOLUTION EXCLUDING THE PRESS AND PUBLIC FROM THE MEETING DURING CONSIDERATION OF THE FOLLOWING ITEM OF BUSINESS ON THE GROUNDS THAT, IF PRESENT, THERE WOULD BE A DISCLOSURE OF EXEMPT INFORMATION FALLING WITHIN PARAGRAPHS 1 AND 3 OF SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972.**

That the decision to exclude all members of the press and public was agreed.

13/77 **CLEVELAND CRAFTS CENTRE, 57 GILKES STREET, MIDDLESBROUGH TS1 5EL - PROPOSED LEASEHOLD DISPOSAL**

The Executive Director of Neighbourhoods and Communities submitted a report that updated on the tenders that had been received for the long leasehold interest in the Cleveland Crafts Centre and sought the authority to re-tender the property in accordance with the report's recommendations.

That situated within the Town Centre on the junction of Gilkes Street/Brentnall Street, the property was comprised of a two-storey craft centre building which housed a number of local artists, who occupied the building on licence.

The property was no longer required for operational purposes by the Council and was marketed in local, national and digital media for a period of 6 weeks. Offers for the long leasehold interest in the property were invited via informal tender, based on the payment of a premium in return for a 150 year lease at a peppercorn rent.

The particulars referred to the Councils' preference for any proposed future use of the property to have included the retention of the existing building. Whilst not protected by a listing in planning terms, the Crafts Centre was a valued element of the Town Centre's building stock being one of the oldest buildings in the area and of reasonable architectural interest. The successful bidder would be expected to enter into a legal agreement to ensure retention of the building, and this was the reason why a leasehold rather than freehold disposal was recommended.

The report outlined that there were three tenders received by the closing date of 31st May 2013 and no conditions were attached to any of the tender submissions received.

In principle, the uses proposed by the respective bidders were acceptable in planning terms, although each scheme proposal would require permission for change of use.

The tender documents as originally drafted sought to maximise the price offered by prospective bidders. With the benefit of hindsight, the documents had generated a proposal with additional benefits, notably an economic contribution to the overall town centre, through live/work units that were not foreseen at the time of issue. The subsequent inability to objectively quantify the value of non-financial elements, within the respective submissions during post-tender analysis, had made the evaluation of the individual tenders unduly difficult.

The re-marketing of the property would have allowed the Council to reassess the tender documentation and have provided the opportunity to clearly set out the specific criteria that prospective bidders needed to understand and address within their submissions.

No other Council uses had been identified for the property.

The report outlined in detail that there were five options available

**ORDERED**

1. **That the proposal to re-tender the premises be approved.**

**REASONS**

The decision was supported by the following reasons:

1. **The re-marketing of the property would allow the Council to reassess the tender documentation and provide the opportunity to clearly set out the specific criteria that prospective bidders need to understand and address within their submissions.**
2. **So as to facilitate the leasehold disposal of surplus property in return for a capital receipt to the Council.**

The decisions will come into force after five working days following the day the decision was published unless the decision becomes subject to the call in procedures.