

# MIDDLESBROUGH COUNCIL

## EXECUTIVE REPORT

### Executive Sub Committee for Property

Former Nature's World Site, Ladgate Lane, Acklam, Middlesbrough

Executive Member for Environment, Councillor Nicky Walker

Executive Director for Neighbourhoods and Communities, Kevin Parkes

2 December 2013

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### PURPOSE OF THE REPORT

1. To consider potential options for the future of the former Nature's World site.

### SUMMARY OF RECOMMENDATIONS

2. It is therefore recommended that:
  - the potential Council use be fully explored before considering alternative options.
  - if this is not viable the CAT option to be progressed
  - both options to include the part disposal of the site if required to re-coup the Council's costs and generate investment.

### IF THIS IS A KEY DECISION WHICH KEY DECISION TEST APPLIES?

3. It is over the financial threshold (£150,000)   
It has a significant impact on 2 or more wards   
Non Key

### DECISION IMPLEMENTATION DEADLINE

4. For the purposes of the scrutiny call in procedure this report is

Non-urgent   
Urgent report

If urgent please give full reasons

## **BACKGROUND AND EXTERNAL CONSULTATION**

5. Nature's World was a visitor centre run by a community organisation to promote environmental sustainability and an appreciation of the natural world.
6. Middlesbrough Council supported this venture through granting the site (Appendix 1) on a peppercorn rent, providing financial guarantees and with assisting in securing external grant funding.
7. However by the end of 2012 the group were in financial difficulty and the administrators were called in and subsequently advised that the venture should be wound up.
8. In January 2013 most of the property was transferred back to the Council from the administrators and in return the Council paid £35k for fixtures and fittings, £50k for the leasehold interest and settled all outstanding bank guarantees (approximately £80K). It was the intention to recoup these outlays from the subsequent sale of the dwelling house included in the site.
9. The Centre had received various grants to build facilities such as the Hydroponicum and on transfer from the administrator the Council gave an undertaking to explore continued community use of the facility in return for funders not pursuing open-market disposal of the facilities to fund claw-back of their grants. There is a degree of flexibility in determining future community/educational use.
10. The finalisation of the winding up has been delayed by the inability to transfer the dwelling house as the administrator has been unable to obtain vacant possession of the property and is unlikely to do so as the tenant is able to evidence secure tenure. Arrangements are therefore having to be made to take on the property as a protected tenancy.
11. The Council since January has maintained and secured the site at a cost of approximately £60k per annum.

## **IMPACT ASSESSMENT (IA)**

12. No potential negative impacts have been identified from the options considered.

## **OPTION APPRAISAL/RISK ASSESSMENT**

13. The land belongs to the Council, and as such consideration is being given to continuing use of the site for Council purposes and a number of potential options have been explored to date. Of these, the possibility of using part of the site to provide a special needs educational facility is looking potentially viable. Such an approach could provide much needed additional capacity in a more cost effective way than possible alternatives such as building new classrooms, for example, and could generate service improvements and save money by removing the need to send some children out of the area for the provision they need.

14. Given the significant potential benefits of this approach it is recommended that this option be fully explored prior to exploring any others.
15. A further option is the potential Community Asset Transfer of the facility to another community body, which could continue to use the site to offer community benefit. It is known that there is some interest from a number of potentially suitable organisations should this option be pursued, in particular there is a group involving both education and business interests which wishes to pursue reopening the site as an environmental business, education and visitor centre and there may be other interests who would respond to a CAT opportunity. Any disposal would follow the current CAT policy which ensures both transparency/fairness and that any proposal selected is viable and sustainable.
16. The land to the north of the site and to the rear of Acklam Cemetery has been earmarked in the long term to provide a future extension site for Teesside Crematorium/Acklam Cemetery. This part of the site would therefore not be part of any future CAT transfer unless this clearly did not compromise its use as a future cemetery extension site.
17. A further option would be to dispose of the site for housing development. This is currently not the recommended approach given the undertaking given to the Administrator (para 6) and the environmental and community sensitivity of the site. However, it may be that partial disposal may be needed to recover the costs that the Council has incurred and to provide investment into either future Council use or CAT transfer, as well as to provide receipts to support the Capital Programme.
18. This partial disposal option has been considered for feasibility, and part of the site (see attached plan, Appendix 2) has been identified for potential development with a new access to the front of the plot. The plot comprises approximately 4 acres and it is felt that its size and location would enable development to come forward in the area without significantly impacting on the local environment. The site is not included in the current proposed LDF so would not be likely to come forward in the near future.
19. An initial environment assessment indicates that provided that the existing tree line to the proposed plot is retained the proposal would not unduly affect the biodiversity of the area. This part of the site is not known to have any issues in respect of the fauna and flora or of any special scientific interest although full sensitivity/impact assessments would need to be carried out. However the location of a time capsule needs to take place and relocated if affected by future development. Any issues such as memorial trees, benches and other items on this part of the site would have to be resolved sensitively.
20. The approximate value of the plot is in the order of £2m subject to abnormals resulting from a detailed ground condition survey and flood risk assessment.
21. There is a risk that without pursuing a CAT the Council may only have use for part of the site and be left holding the rest of the site with no particular use for it. Further disposal for development is unlikely to be possible in planning terms due to environmental sensitivities. Alternative commercial lettings can be pursued, but there is a chance that the Council will be left with a land holding (and the

associated costs and liabilities) as a result of its adopted approach. Pursuing a collaborative approach between potential Council use and CAT transfer (ie possibly having both uses on the site) might minimise this risk.

## **FINANCIAL, LEGAL AND WARD IMPLICATIONS**

22. There is a need to progress either the educational use or the CAT transfer with some urgency given the risk of deterioration of the site and ongoing holding costs. At last one potential CAT transferee is also working to a fixed timescale linked to the academic/school year. There is therefore a need to progress this matter in a timely manner.
23. The proposed approach may require appropriate adjustments to the Capital Programme to allow for possible capital investment and future possible capital receipts.
24. The site is based in Kader ward.

## **RECOMMENDATIONS**

25. It is therefore recommended that:
  - the potential Council use be fully explored before considering alternative options.
  - if this is not viable the CAT option to be progressed
  - both options to include the part disposal of the site if required to re-coup the Council's costs and generate investment.

## **REASONS**

26. The recommended approach provides the greatest potential range of benefits including continuing community-benefit usage of the site; potential for revenue savings/most cost effective response to capacity pressure on education provision; capital receipt to recoup costs/generate investment; retention/protection of the environmentally sensitive parts of the site.

## **BACKGROUND PAPERS**

No background papers were used in the preparation of this report.

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