

EXECUTIVE SUB-COMMITTEE FOR PROPERTY

A meeting of the Executive Sub-Committee for Property was held on 29 January 2014.

PRESENT: Councillors D Budd (Chair), M Carr, T Harvey, C M Rooney, J Rostron, B Thompson and N J Walker

OFFICIALS: David Velemir and Sharron Brown

13/91 **TO CONSIDER PASSING THE 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.

13/92 **CLEVELAND CRAFTS CENTRE, 57 GILKES STREET, MIDDLESBROUGH, TS1 5EL- PROPOSED LEASEHOLD DISPOSAL**

The the Executive Director of Neighbourhoods and Communities submitted a report gave an update on the tenders that had been received for the long leasehold interest in the Cleveland Crafts Centre, and sought authority to proceed with the sale of the premises in accordance with the report's recommendations.

The report outlined in detail background information on the Cleveland Crafts Centre and set out the process that had been followed in tendering the property, as the documents issued by the Council had set out specific criteria for prospective bidders to understand and address.

The documents defined how a scoring mechanism would be used to objectively quantify the value of non-financial elements during post-submission analysis, with all of the submissions received being scored relative to each other from a total of 1,000 points. The specific criteria that prospective bidders needed to consider were as follows;

The evaluation of the financial element of the tender (300 points) focused around the scoring of the following;

1. overall price tendered;
2. conditionality of the tender; and,
3. whether the final price was likely to be less than the price tendered.

The evaluation of the quality/design element of the tender (700 points) focused around the scoring of the following;

1. use and activity - intended use of the building and the potential for creation of jobs/employment opportunities, either new or safeguarded;
2. character and design - integration of the site/scheme within the surrounding area, indicative sketch proposals and architectural treatment;
3. building conservation - retention, enhancement and improvement; and,
4. track record - ability of the bidder to demonstrate a successful/proven track record of scheme delivery.

In response to the documentation issued, the following tenders were received by the closing date of 20th November 2013 and scored accordingly:

1. Bidder A - Tender Rank No.2 [737.29 points]
2. Bidder B - Tender Rank No.1 [772.25 points]
3. Bidder C - Tender Rank No.3 [488.35 points]
4. Bidder D - Tender Rank No.4 [264.62 points]

The report outlined in further detail that there were three options available:

1. Option 1 - To reuse the premises for another purpose. No Council operational requirement had been identified.
2. Option 2 - To offer a shorter term leasehold interest in the premises on the open market. Given the need to raise funding to refurbish the premises, there was unlikely to be a significant demand for the property on that basis.
3. Option 3 - To proceed with a leasehold disposal for live/work unit development to Bidder B, in accordance with the outcome of the post-tender submission evaluation process that identified Bidder B's submission as the highest ranked tender proposal, subject to requirements outlined within the report.

After a detailed discussion on the process and the results of the process, the Executive Sub Committee for Property Panel agreed the following recommendations.

ORDERED

1. **That the proposal to sell the premises to Bidder B for the sum of £50,000 plus fees be approved; and**
2. **That if the recommended leasehold disposal of the premises does not proceed, the subsequent decision as to how to proceed should be delegated to the Executive Director for Neighbourhoods and Communities, following consultation with the Director of Resources and upon consideration of further recommendations be agreed.**

REASONS

The decisions were supported by the following reason:

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 decisions were published unless the decision becomes subject to the call in procedures.