

**EXECUTIVE SUB-COMMITTEE FOR PROPERTY**

A meeting of the Executive Sub-Committee for Property was held on 25 September 2014.

**PRESENT:** Councillors D Budd, M Carr, T Harvey and C M Rooney

**OFFICIALS:** Ian Roberts and Sharron Brown

**APOLOGIES FOR ABSENCE:** Councillor J Rostron, Councillor J Sharrocks

14/14 **MINUTES OF THE EXECUTIVE SUB COMMITTEE FOR PROPERTY HELD ON THE 9 SEPTEMBER 2014.**

That the minutes of the last Executive Sub Committee for Property Panel meeting held on the 9 September 2014 were taken as read and signed off by the Chair as a true copy.

14/15 **TO CONSIDER PASSING THE RESOLUTION EXCLUDING THE PRESS AND THE 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 PARAGRAPH 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.

14/16 **FORMER PUBLIC TOILETS AND ADJACENT LAND - PARKWAY CENTRE, COULBY NEWHAM, MIDDLESBROUGH – PROPOSED FREEHOLD SALE**

The Executive Director of Commercial and Corporate Services submitted a report that gave an update on the offers which had been received for the Council's freehold interest in the former public toilets and adjacent land at the Parkway Centre and sought approval of the sale of the premises in accordance with the recommendations within the report.

The former public toilets and the adjacent grassed area of land at the Parkway Centre were recently marketed for sale with vacant possession as they were no longer required for the Council's operational purposes. Informal offers, in excess of a guide price of £100,000 plus fees, were invited for the Council's freehold interest in the premises.

The report outlined that the Council received 10 offers by the closing date of 8th August 2014.

Within 4 weeks of being notified that it was the successful party, the buyer was required to enter into a conditional contract (conditional upon receipt of planning permission for the proposed use) to buy the property and pay the Council the following non-refundable sums :-

- (i) the deposit (5% of the purchase price).
- (ii) the Council's legal fees (1.25% of the purchase price).
- (iii) the Council's surveyor's fees (2% of the purchase price).

The purchaser upon being notified of being the successful bidder would be required to:

1. submit a planning application within 3 months and obtain planning permission within 6 months (subject to reasonable extension of time provisions in the event that a planning application is awaiting a decision);
2. exchange final contracts within 7 days of the purchaser being granted planning permission in respect of its proposed use;
3. pay the balance of the purchase price and complete the purchase within 4 weeks of the date of the planning decision; and
4. The Council would reserve the right to withdraw from the sale if the purchaser did not comply with the time limits set out.

The report outlined 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 leasehold interest in the premises on the open market. Given the need to convert and/or extend the property, or demolish the building and redevelop the site, there was unlikely to be a significant demand for the property on a leasehold basis. If there was such a demand it was unlikely to be as financially advantageous to the Council as the proposed freehold disposal.
3. Option 3 - Proceed with a sale of the premises in accordance with the recommendations in the report in view of the Council's requirement for capital receipts and having regard to the review of the Council's Non-Strategic Assets.

#### **ORDERED**

1. **the sale of the property to the preferred developer be approved;**
2. **should the preferred developer not complete the purchase, authority to offer the property for sale to the second highest bidder for sale under the conditions outlined within the report, be delegated to officers;**
3. **that if the sale of the premises did not proceed in accordance with the recommendations, the subsequent decision as to how to proceed with the disposal would be delegated to the Director of Commercial & Corporate Services.**

#### **REASON**

**The decisions were supported by the following reason:**

**This will result in the disposal of surplus property in return for a capital receipt to the Council and assist in the regeneration of the area.**

The decision will come into force with immediate effect and is not subject to scrutiny call-in procedures.