

EXECUTIVE SUB-COMMITTEE FOR PROPERTY

A meeting of the Executive Sub-Committee for Property was held on 26 November 2014.

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

OFFICIALS: David Marjoram, Tim Wake, Richard Dowson and Sharron Brown

APOLOGIES FOR ABSENCE: Councillor J Sharrocks

14/18 **MINUTES OF THE EXECUTIVE SUB COMMITTEE FOR PROPERTY HELD ON THE 25 SEPTEMBER 2014.**

That the minutes of the Executive Sub Committee for Property Meeting held on the 25 September 2014 were taken as read and signed off by the Chair as a true record.

14/19 **MINUTES OF THE EXECUTIVE SUB COMMITTEE FOR PROPERTY HELD ON THE 30 SEPTEMBER 2014.**

That the minutes of the Executive Sub Committee for Property Meeting held on the 30 September 2014 were taken as read and signed off by the Chair as a true record.

14/20 **LAND AT TENNIS WORLD SITE**

The Executive Director, Economic Development & Communities submitted a report that sought approval to commence public consultation on the development guidance for the land at Tennis World site, and subsequent marketing and receipt of offers for further consideration regarding its potential development.

In late 2011, as part of Council budget proposals for the 2012/13 financial year, the Mayor announced his vision for a 21st Century Sports Village at Prissick, which was subsequently ratified on 6 December 2011. As part of that, it was intended Tennis World would re-locate from their Council-owned existing site, on which they had a long term lease, to a new location within the proposed Sports Village. The existing site was to be sold for re-development and the capital receipt shared between the Council and Tennis World.

Following a reappraisal of the options for the future location of Tennis World and the organisation of facilities within the Sports Village, it was decided that Tennis World would remain in situ, but still within the umbrella of the Sports Village. As a result, surplus land had been identified that was not required to meet the future needs of Tennis World.

Tennis World had a long term lease for the site and the Council had the freehold interest of the land. The release of the land would mean that any capital receipt would be shared between Tennis World and the Council. Tennis World were proposing to reinvest their receipt in improving their facilities; the Council would use their own component to contribute to the delivery of the Sports Village.

Consequently a new development guidance attached as Appendix 1 to the report had been prepared in order to advise prospective developers on the Council's aspirations for this site, establishing the forms of development that would be deemed appropriate on the land and outlined broad development principles. The guidance would therefore play an important role in the marketing of the site and form a material consideration for determining any subsequent planning application.

It was proposed the guidance be subject to a four-week public consultation process, and following the consultation, all comments would be considered and the appropriate amendments would be made to the guidance before the site was marketed.

The next step should approval be given would be to commence the public consultation period

prior to marketing the site.

The report outlined that there were two options available:

1. Option 1 - Do not dispose of the site for development. If this option were pursued there would be no capital receipt for the Council, who would have less money to contribute towards the delivery of the Sports Village. This option would also leave Tennis World in a position where they could not invest in the modernisation of their facilities.
2. Option 2 - Dispose of the site for development. By pursuing this option the Council would have more money to contribute towards the delivery of the Sports Village as a result of the capital receipt generated, which would also enable Tennis World to invest in the modernisation of their facilities to complement new sporting provision at the Sports Village.

ORDERED

1. **that the development guidance for public consultation be approved;**
2. **that responsibility to make any necessary amendments to the guidance following the consideration of any comments received, following consultation with the Executive Member for Regeneration be delegated to the Executive Director of Economic Development and Communities; and**
3. **that the site be marketed following agreement of the final guidance.**

REASONS

The decisions were supported by the following reason:

To ascertain the level of developer interest in the site and potential capital receipt it will generate for the Council.

14/21 **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.

14/22 **TWI LTD CONSTRUCTION - DEVELOPMENT OF THE OFFSHORE WIND VALIDATION CENTRE**

The Executive Director, Economic Development and Communities submitted a report that sought approval to commence construction of the Offshore Wind Validation Centre (OWVC), having secured external funding to do so.

Middlesbrough Council had been working with TWI Ltd to develop a facility, which would be the UK's first Offshore Wind Validation Centre (OWVC), delivering research and validation services for offshore wind tower manufacturers, as well as for the oil & gas, subsea and other industrial sectors. In addition, the new facility would offer state of the art training in welding, inspection, non-destructive testing and underwater techniques, alongside full research and consultancy services. The OWVC would become the first purpose built facility at Teesside Advanced Manufacturing Park (TAMP), not only would it provide the first physical activity on site, but also provide a critical element of the research infrastructure. The aspiration for TAMP was that it would become a science and technology park of international repute, the OWVC would help deliver this aspiration by providing a range of activities that not only attracted businesses operating with key industrial sectors, but other research organisations that would benefit from it.

The next stage should approval be given would have been an agreement for occupation of the OWVC between Middlesbrough Council and TWI Ltd to be agreed and signed. This would tie TWI Ltd into the new facility and enable the Council to commence construction. Once the agreement was secured, Middlesbrough Council can instruct Willmott Dixon to finalise the design work and commence construction. Finally, once the funding arrangements and pre-let agreement had been finalised, agreement for the proposed sale of Aurora Court would be sought from the custodian partners.

Further information was outlined in detail within the report.

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

1. Option 1 - Cease the Project;
2. Option 2 - Proceed without LGF funding; and
3. Option 3 - Proceed with the project, but not seek to dispose of Aurora Court.

ORDERED

1. **that Middlesbrough Council agreed to underwrite up to £500,000 of external funding (Local Growth Fund), until it was confirmed;**
2. **that Middlesbrough Council entered into a lease agreement for TWI Ltd to occupy the new OWVC;**
3. **that Middlesbrough Council commenced construction of the OWVC;**
4. **that Middlesbrough Council sought the approval of its custodian property partners to dispose of Aurora Court; and**
5. **that delegated authority and flexibility to deliver the development of the OWVC and sale of Aurora Court, following consultation with the Executive Member for Regeneration, provided no further cost or risk to the Council arises be delegated to the Director of Economic Development & Communities.**

REASON

The decisions were supported by the following reason:

The benefits of securing such a facility in Middlesbrough are significant. The development of TAMP would enable Middlesbrough to attract further high value jobs and secure the catalytic benefits of the physical regeneration of the wider site.

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.