

**EXECUTIVE SUB-COMMITTEE FOR PROPERTY**

A meeting of the Executive Sub-Committee for Property was held on 24 March 2015.

**PRESENT:** Councillors D Budd (Chair), Councillors M Carr, Harvey and Rooney and Rostron

**OFFICIALS:** T Parkinson, N Sayer, D Allred, T Wake and D Velemir

14/38 **MINUTES OF THE EXECUTIVE SUB COMMITTEE FOR PROPERTY HELD ON THE 27 FEBRUARY 2015.**

That the minutes of the Executive Sub Committee for Property held on the 27 February 2015 were taken as read and signed off by the Chair as a true record.

14/39 **TO CONSIDER PASSING A RESOLUTION EXCLUDING THE PRESS AND PUBLIC FROM THE MEETING DURING CONSIDERATION OF THE FOLLOWING ITEMS 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 the press and the public was agreed.

14/40 **1 ALBERT TERRACE, MIDDLESBROUGH TS1 3PA - PROPOSED FREEHOLD SALE**

The Executive Director of Commercial and Corporate Services submitted a report that gave an update on the proposal to dispose of the Council's freehold interest in 1 Albert Terrace and sought approval to proceed with the sale of the premises in accordance with the report's recommendations.

The property was situated on the junction of Linthorpe Road and Albert Terrace and within a mixed commercial and residential area of the town. The property lies within the University Ward and comprises of a corner terraced former dwelling house with a range of accommodation arranged over four storeys.

Most recently used by the Council for office accommodation purposes, the property was vacated by Social Services staff in July 2014 and was no longer required for operational purposes by the Council. The property was being offered freehold with vacant possession, for sale by way of informal tender.

No objections had been raised by the Council's Planning Team in principle to the proposed disposal.

**ORDERED**

1. **That disposal of the premises be approved.**
2. **That if the disposal does not proceed in accordance with the disposal recommendation, the subsequent decision on how to proceed with the disposal should be delegated to the Director of Commercial and 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 and enhancement of the local area.**

14/41 **TAD CENTRE COMPLEX, ORMESBY REOAD, MIDDLESBROUGH TS3 7SF - PROPOSED FREEHOLD SALE**

The Executive Director of Commercial and Corporate Services submitted a report that gave an update on the proposal to dispose of the Council's freehold interest in the TAD Centre complex, and sought approval to proceed with the sale of the premises.

Situated on Ormesby Road, the complex was located in Berwick Hills, close to the town centre and all major transport links. The property comprised a purpose built four storey business conference, function, training, meeting room and office complex occupying a site of 2.31 acres.

The property had been vacated by occupiers, with only two businesses remaining at the time of drafting the report. The Council's intention was that the interests of both occupiers would be protected during the disposal of the complex to the preferred bidder, with the result being that both businesses would be left undisturbed by the proposed transaction.

Panel Members indicated that in reaching a decision on the proposed disposal, they required further information in relation to the value of the property as contained within the Council's Asset Register and the market value of the property for disposal purposes.

#### **ORDERED**

**That a decision on the proposed disposal be deferred in order for further information to be included within the report in relation to the value of the property as contained within the Council's Asset Register and the market value of the property for disposal purposes and how these related to the proposed purchase price.**

#### **REASON**

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

**Further information was required before a decision by the Panel could be made.**

14/42

#### **LAND AT STANTON WAY, MIDDLESBROUGH - PROPOSED FREEHOLD SALE**

The Executive Director of Commercial and Corporate Services submitted a report that gave an update on the proposal to dispose of part of the Council's freehold interest in the parcel of land off Stainton Way, for the purpose of providing a new Cleveland Police Headquarters and sought approval to proceed with the sale of the site.

The subject parcel of land formed part of the much larger Hemlington Grange development proposals and was part of the area allocated for employment/commercial uses as part of the approved master plan for this area of Middlesbrough. In addition to the proposed employment uses, the overall Hemlington Grange site also had an allocation for the development of approx. 1200 new houses.

The site was identified in 2010 by Cleveland Policy Authority (CPA) as their preferred location for the new facility. Construction of the new buildings would allow the CPA to vacate their existing site on Ladgate Lane and release that site for housing. It was understood that the CPA would shortly be submitting a revised application to amend the layout of the complex to accommodate shared facilities with North Yorkshire Police although it was anticipated this would still be within the original site boundaries.

Work undertaken so far had identified budget costs for the various elements which would be required and which the CPA were seeking to set against the 'headline' sale price agreed.

#### **ORDERED**

- 1. That the sale to Cleveland Police Authority (CPA) be approved.**
- 2. That if the sale of the land did not proceed in accordance with the above recommendation, the subsequent decision on how to proceed with the disposal should be referred back to the Property Sub Committee in the event of any reduction exceeding £150,000 or to the Director of Commercial and Corporate**

**Service as appropriate, in consultation with the Director of Economic Development and Communities.**

**REASON**

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

14/43

**HEMLINGTON GRANGE INFRASTRUCTURE PROVISION**

The Executive Director of Economic Development and Communities submitted a report that sought approval to the funding of £2.178m of upfront expenditure in order to provide electricity to the Hemlington Grange site.

In August 2013 the Council's Executive Sub Committee for Property approved the appointment of Taylor Wimpey as the preferred developer for the Hemlington Grange site. Since that time Taylor Wimpey had been undertaking all necessary due diligence work and pulling together all the relevant technical documentation that would ultimately form the background to their planning application for the site.

Cleveland Police Authority (CPA) had also confirmed their intention to relocate from its existing HQ on Ladgate Lane to a new 'Community Safety Hub' on the Hemlington Grange site. To date the discussions with the CPA had been on the basis that the Council would provide a fully serviced site.

A major part of Taylor Wimpey's and the CPA's due diligence work had included liaison with all the statutory utility providers. As part of this process it emerged that there was no capacity available on the primary substations in the south of the town to accommodate additional connections.

The proposed solution offered by Northern Powergrid to supply the load to the site was the installation of two new 11kV circuits each 7km in length from the Stokesley primary substation. This was the most economically viable from a cost point of view and the timing allowed development of the site in the shortest period of time.

Details of the costs involved were given in the report, along with timescales for the completion of the works.

The reported highlighted that there were three options available:

1. Option 1 - NPG fund the works
2. Option 2 - Taylor Wimpey to fund electricity provision
3. Option 3 - The Council front fund the electricity (preferred option).

**ORDERED**

**That the upfront funding of £2.178m sought from the capital programme in advance of the first land receipt from Taylor Wimpey to ensure that development at Hemlington Grange was brought forward in a timely manner be approved.**

**REASON**

**The decision was supported by the following reason:**

**By the Council front funding the provision of electricity to the site it will ensure that development of the site is brought forward in the timeliest fashion without any further delay.**

