

MIDDLESBROUGH COUNCIL

EXECUTIVE REPORT

PART A

Former Natures World Site, Ladgate Lane, Acklam, Middlesbrough
Deputy Mayor and Executive Member for Regeneration: Charles Rooney
Executive Director for Commercial and Democratic Services: Tony Parkinson

16th of December 2015

PURPOSE OF THE REPORT

1. The purpose of this report is for Executive to consider the proposals for the relocation of Middlesbrough Environment City (MEC) onto the former Natures World site.

SUMMARY OF RECOMMENDATIONS

2. It is recommended that the Executive approves the relocation of Middlesbrough Environment City (MEC) onto the former Natures World site.
3. It is further recommended that the Council continues to engage with other organisations who may wish to progress complementary uses for the site on a short to medium term basis.

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

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

DECISION IMPLEMENTATION DEADLINE

5. 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

6. A report was submitted to the Executive Sub Committee for Property on the 16th of March 2015 and 2nd of December 2013 setting out the future strategic options for the former Natures World site as a consequence of the winding up of Natures World.
7. The Executive Sub Committee for Property ordered that:
 - Option 3 is progressed whereby the site is retained for long-term opportunities and explores short term arrangements with partner organisations. This approach provides the Council with flexibility in respect of any future redevelopment of the site.
8. Detailed discussions have since taken place with Middlesbrough Environment City (MEC) around the potential relocation of their current offices from 1 North Road to the former Natures World site.
9. The current facilities at 1 North Road are through a repairing lease arrangement with a private landlord; the current lease is due to expire on the 7th of April 2016. Currently MEC pay the rates on the property as they benefit from their charitable status. The intention is that they are relocated prior to the termination of the lease to avoid any associated holding costs on the property.
10. MEC has identified the former Natures Worlds Shop, Reception area and Exhibition Hall as suitable accommodation, together with a proposal to bring part of the allotment area back into use.
11. Investment would be required in the shop and reception area to meet the needs of MEC as an administrative base. These works include improvements to the existing heating system, toilet provision and remodelling of the internal layout.
12. MEC have requested a 15 year lease on these facilities in order to allow sufficient time to attract future funding to invest in sustainable energy initiatives and associated environmental improvements.
13. The Council has received a number of other expressions of interest in the site, for example as joinery workshops for disabled servicemen, and a proposal for a commercial play facility.
14. However to date none of these proposals have led to the submission of a business case or a firm proposal. We continue to canvass interest in the remaining building on the site with a view to attracting suitable organisations / uses on a short to medium term basis.
15. The Council did receive a request in the past from an organisation for a CAT for the entire site on a 25 year peppercorn lease for use as an environmental, educational, business / visitors centre.
16. The proposal from MEC is limited to two buildings and the allotments for a period of 15 years for which they will pay a rent as set out in Part B of this report.

IMPACT ASSESSMENT (IA)

17. Any change of use at the site by Council services will be subject to an Equality Impact Assessment (EIA) and the requirements that Council Services fully comply with the Equality Act in respect of public access.
18. This proposal has been subject to an impact assessment, which is attached to this report as appendix 1. The impact assessment found that these proposals would not result in a disproportionate adverse impact on groups or individuals as the proposal would enable partners to provide services from the site that could benefit groups and individuals.

OPTION APPRAISAL/RISK ASSESSMENT

Option 1: Relocate MEC to the Former Natures World Site:

19. This proposal provides a secure and sustainable base for MEC and at the same time reduces the Councils ongoing holding costs for the site in terms of rates, utilities and security.
20. In addition MEC plan to bring some of the allotment area back into use and will also continue to engage with existing volunteering / friends groups currently operating on the site.
21. This option provides MEC with an ideal location to deliver environmental educational projects and health interventions in a safe, secure environment.
22. The business case set out in Part B has a payback on investment of just over 3 years.
23. Relocation from 1 North Road would relieve the Council of any future lease obligations for the current arrangement, subject to a suitable settlement of repairs with the landlord.

Option 2: Status Quo:

24. The Council will continue to carry the current costs of the “moth balled” site together with limited beneficial use of the site, which could fall into dilapidation.
25. The Council would also continue to bear the rental cost at 1 North Road together with the associated repairing obligations, or would need to seek alternative accommodation for MEC.

FINANCIAL, LEGAL AND WARD IMPLICATIONS

26. **Financial** – The proposed rent and financial business case is set out in the confidential section at part B of this report.
27. **Ward Implications** – The site is situated in the Kader ward, however this is an important strategic site and its future use and development will have a wider impact on the Town.

28. Ward Councillors have been made aware of this report and have been given the opportunity to be briefed as required.
29. The Executive Members for Resources, Regeneration and Environment have been briefed during the preparation of this report.

RECOMMENDATIONS

30. It is recommended that the Executive approves the relocation of Middlesbrough Environment City (MEC) onto the former Natures World site.
31. It is further recommended that the Council continues to engage with other organisations who may wish to progress complementary uses for the site on a short to medium term basis.

REASONS

32. MEC currently occupies 1 North Road and the current lease will end in April 2016.
33. The proposal is linked to appropriate community and educational access to ensure the Council's position regarding any clawback from previous grant funding is avoided.
34. The proposals will provide a sustainable operating base for MEC and act as a catalyst for complimentary groups and organisations to relocate to other areas of the site in a managed manner.
35. The scheme will result in reduced holding costs for the site as well as generating rental savings through the exiting of 1 North Road.

BACKGROUND PAPERS

36. The following background papers were used in the preparation of this report:
Confidential Report, Former Natures World site, Ladgate Lane, Acklam, Middlesbrough, 16th of March 2015.

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