

EXECUTIVE SUB-COMMITTEE FOR PROPERTY

A meeting of the Executive Sub-Committee for Property was held on 16 December 2015.

PRESENT: Councillors J Brunton, M Carr, T Harvey, C M Rooney, M Thompson, N J Walker and L Young

PRESENT AS OBSERVERS: A Member of the Public.

ALSO IN ATTENDANCE: Councillors R Arundale, C Hobson and L McGloin,

OFFICIALS: Tom Punton, Tim Wake Martin Shepherd, David Velemir, Natalie Wilkinson Luke Henman and Sharron Brown

APOLOGIES FOR ABSENCE: Councillor J Rostron

15/20 **MINUTES OF THE MEETING HELD ON 18TH NOVEMBER 2015.**

That the minutes of the Executive Sub Committee for Property Panel held on 18 November 2015 were taken as read and signed off by the Chair as a true record.

15/21 **LINGFIELD FARM COUNTRYSIDE CENTRE AND BRAMBLES FARM COMMUNITY CENTRE.**

The Executive Director, Commercial and Corporate Services submitted a report that gave an update on the proposals to best make use of Lingfield Farm Countryside Centre and Brambles Farm Community Centre which were both empty.

Brambles Farm Community Centre:

Expressions of Interest for a Community Asset Transfer were sought in 2012. Hope Foundation, a well-established Middlesbrough based voluntary sector organisation, was successful in securing a 25 year lease on the facility. However, in February 2015 they regrettably withdrew from the lease agreement due to lack of sustainable funding.

Discussions had taken place with the Early Years Team with regards to nursery provision in East Middlesbrough. Based on January 2015 headcount the demand for eligible families in this part of town was significantly higher than the level of provision that was currently provided for children.

A provision at Brambles Farm Community Centre would relieve some of the pressure due to its locality in the heart of the community.

Lingfield Farm Countryside Centre:

The building had been empty for a number of years. A speculative expression for a Community Asset Transfer was submitted by residents of Coulby Newham and Coulby Newham Rangers football team. However this had dissipated and the building along with the adjacent Farm House remained empty.

The Countryside Centre was located within six hectares of protected green space. Both buildings were in relatively good condition. An informal exploratory exercise had been conducted during the last couple months to gauge interest and opportunities for both of these assets. Discussions had taken place with various stakeholders in both localities.

Early Years had stated that there was no current demand for the provision in South Middlesbrough.

The report outlined in detail that there were four options available with regards to Brambles Farm Community Centre and three options with regards to Lingfield Countryside Centre.

ORDERED

1. That Brambles Farm Community Centre be offered as a potential base for Early Years provision or for more general commercial use which brings benefit to the community; and
2. Allow for expressions of interest to be sought for either the Commercial or Community Asset Transfer of Lingfield Countryside Centre.

REASONS

The decisions were supported by the following reasons:

- The demand for Early Years provision in the Brambles Farm Ward is a significant priority and ensures that the building is retained for community purposes whilst creating an income stream;
- However, whilst a demand for Early Years provision has been clearly identified, a poor response or a failure to achieve planning consent for Early Years provision would delay the Brambles Farm building being brought back into use. Seeking more general commercial offers would potentially offset this delay;
- Keeping a more open option for the use of Lingfield Countryside Centre ensures that the building is more likely to come back into use more rapidly than if the Council was to take a more restricted approach.

15/22

BLACKSMITH'S YARD NUNTHORPE VILLAGE (PART A).

The Executive Director, Commercial and Corporate Services submitted a report that sought approval for the terms of sale on the property known as "Blacksmith's Yard", located at Nunthorpe Village.

The Blacksmith's Yard was a small grouping of buildings arranged around a central courtyard and were occupied by a total of four businesses by way of short term agreements. The Council had marketed Blacksmith's Yard, for sale on the open market. This marketing had been undertaken in conjunction with the farm buildings on Nunthorpe Hall Farm, which stood on the other side of the road through Nunthorpe Village.

A consultation process had been undertaken with residents, and the expectation was that, once sold, the new owners would convert the property to residential use. The property stood in a conservation area, the property was not listed, but it was included on the local list that Middlesbrough Council prepared of buildings of architectural or historic interest. The Council had commissioned the North of England Conservation Trust, which produced a detailed guidance on the conversion of the properties. In respect of Blacksmith's Yard, the guidance stated that up to three dwellings could be created within the conversion.

The disposal of the asset was identified under the "Non-Strategic Asset Review", which was part of the Change Programme.

The report outlined that there was only one option open to the Council.

ORDERED

1. That Blacksmith's Yard be sold to Bidder D, on the terms that they have offered be approved.

REASON

The decision was supported by the following reason:

- In order to secure a capital receipt from the sale of the surplus land which will be reinvested back into the Council's capital programme.

15/23 FORMER NATURES WORLD SITE, LADGATE LANE, ACKLAM, MIDDLESBROUGH - PROPOSED FREEHOLD SALE (PART A).

The Executive Director, Commercial and Corporate Services submitted a report that sought views on the proposals for the relocation of Middlesbrough Environment City (MEC) onto the former Natures World site.

Detailed discussions had since taken place with MEC around the potential relocation of their current offices to the former Natures World site.

There facilities at 1 North Road were through a repairing lease arrangement with a private landlord and due to expire on the 7th of April 2016. MEC pay the rates on the property as they benefited from their charitable status. The intention was that they were relocated prior to the termination of the lease to avoid any associated holding costs on the property.

MEC had 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. Investment was required in the shop and reception area to meet the needs of MEC as an administrative base. These works included improvements to the existing heating system, toilet provision and remodelling of the internal layout.

MEC had requested a 15 year lease on the facilities in order to allow sufficient time to attract future funding to invest in sustainable energy initiatives and associated environmental improvements. The Council had 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, however to date none of these proposals have led to the submission of a business case or a firm proposal.

The proposal from MEC was limited to two buildings and the allotments for a period of 15 years for which they would pay rent as set out in Part B of the report.

The report outlined in detail that there were two options available.

ORDERED

1. **That the relocation of Middlesbrough Environment City (MEC) onto the former Natures World site be approved; and**
2. **That the Council continued to engage with other organisations who may wish to progress complementary uses for the site on a short to medium term basis.**

REASONS

The decisions were supported by the following reasons:

1. **MEC currently occupies 1 North Road and the current lease will end in April 2016.**
2. **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.**
3. **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.**
4. **The scheme will result in reduced holding costs for the site as well as generating rental savings through the exiting of 1 North Road.**

15/24 LAND ADJACENT 234 LINTHORPE ROAD, MIDDLESBROUGH TS1 3QP - PROPOSED FREEHOLD SALE (PART A).

The Executive Director, Commercial and Corporate Services submitted a report that sought consideration of the proposal to dispose of the Council's freehold interest in land situated at Linthorpe Road, and sought approval to proceed with the sale of the site in accordance with the recommendations.

Having been deemed by the Council to be surplus to operational requirements, the land was marketed in local, regional, national and digital media during September and October 2015. The Council received a total of 12 tender submissions in response to the formal marketing exercise, with the highest ranked bid (based on price) submitted on an unconditional basis - for the purpose of creating a mixed development which comprised of retail, commercial and residential uses. The bid had been submitted by a local developer well known to the Council, with experience of bringing schemes forward in the town and a reputation for successful project delivery.

In terms of price, the offer exceeded the guide price that was sought, the Council's NSAR reserve price and the figure listed on the Council's asset register.

From a design and planning perspective, the bidder's proposal had been formulated via pro-active consultation with the Council's Planning and Highways Teams.

From a legal perspective, the bidder had confirmed that their offer was unconditional and that they intended to fund the acquisition via capital reserves.

The report outlined in detail that there were three options available to the Council.

ORDERED

1. **The disposal of the subject site to the highest bidder, as outlined in Part B of this report be approved; and**
2. **The proposed disposal be taken forward with the second ranked bidder if the highest bidder did not, or could not, proceed for any reason.**

REASON

The decisions were supported by the following reason:

This will result in the disposal of a surplus parcel of land in return for a capital receipt to the Council and assist in the regeneration and enhancement of the local area.

15/25 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 DISCLOSURE OF EXEMPT INFORMATION FALLING WITHIN PARAGRAPHS 1 AND 3 OF SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT.

The decision to exclude the press and the public was agreed.

15/26 BLACKSMITH'S YARD NUNTHORPE VILLAGE (PART B)

The Executive Director, Commercial and Corporate Services submitted a report that contained supplementary information in relation to Blacksmith's Yard, Nunthorpe Village.

ORDERED

That the recommendations of the report be approved.

REASON

The decision was supported by the following reason:

For reasons outlined in the report.

15/27 **FORMER NATURES WORLD SITE, LADGATE LANE, ACKLAM, MIDDLESBROUGH (PART B).**

The Executive Director, Commercial and Corporate Services submitted a report that contained supplementary information in relation to Former Natures World Sit, Ladgate Lane, Acklam, Middlesbrough.

ORDERED

That the recommendations of the report be approved.

REASON

The decision was supported by the following reason:

For reasons outlined in the report.

15/28 **LAND ADJACENT 234 LINTHORPE ROAD, MIDDLESBROUGH TS1 3PQ - PROPOSED FREEHOLD SALE (PART B).**

The Executive Director, Commercial and Corporate Services submitted a report that contained supplementary information in relation to Land adjacent to 234 Linthorpe Road, Middlesbrough TS1 3QP- Proposed Freehold Sale.

ORDERED

That the recommendations of the report be approved.

REASON

The decision was supported by the following reason:

For reasons outlined in the report.

15/29 **TWI BUILDING (TAMP).**

The Executive Director, Commercial and Corporate Services submitted a report that sought approval to provide funding to TWI on a commercial basis.

In November 2014 the Executive approved the construction of the state of the art Offshore Wind Validation Centre (OWVC) building, which was in partnership with The Welding Institute (TWI). The principles behind TWI's exit from Aurora Court and the subsequent disposal of Aurora Court were approved.

TWI would occupy the new building under a lease from the Council, which would ensure that grant conditions from external funders were adhered to.

It was therefore proposed that the Council financed the loan to TWI on a commercial basis that matched the external loan offer TWI had secured, subject to TWI providing evidence that they were able to secure lending at the agreed rate. The report outlined in detail the payments and the conditions in the Heads of Terms for the lease.

The report outlined in further detail the options available to the Council.

ORDERED

That the recommendations of the report be approved.

REASON

The decision was supported by the following reason:

For reasons outlined in the report.

15/30 **LAND AT GURNEY STREET TRIANGLE, MIDDLESBROUGH - PROPOSED FREEHOLD SALE.**

The Executive Director, Commercial and Corporate Services submitted a report that sought views on the proposal to dispose of the Council's freehold interest in land on Gurney Street, and sought approval to proceed with the sale in accordance with the report's recommendations.

At a meeting on 9th December 2014, the Executive considered two reports 'Middlesbrough Large Casino Gurney Street Triangle Development' (Parts A and B) relating to the development of a new casino and hotel, a multi storey car park and a new 83 bed Premier Inn hotel.

In the intervening period, further detailed discussions had taken place with the developer around the hotel proposals which had again confirmed the previously approved sale price. However, the developer had indicated they would require an additional area of land to provide car parking for the hotel and this could be provided by the Council by selling an additional area of land. This land was comprised of 22 pay and display long stay parking spaces. The revised site was shown on plan attached as Appendix A to the report.

The Council's agent had advised that the additional land did not add to the value of the overall site as the value of the site was driven by the ability to provide 83 bedrooms which was the original proposal. There would need to be legal provisions built into the contract to ensure that the land would remain as part of the hotel development and the final build reflected the provision of only 83 bedrooms.

The additional land would have formed part of the future casino proposals and the disposal now merely brought that forward sooner than originally anticipated. The developer would still be required to provide replacement car parking within his own site to accommodate those spaces currently used by the Thistle Hotel which would be lost as a result of the Premier Inn.

The report outlined in further detail the options available to the Council.

ORDERED

That the recommendations of the report be approved.

REASON

The decision was supported by the following reason:

For reasons outlined in the report.

15/31 **ANY OTHER BUSINESS.**

No further business was discussed at the meeting.

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.