

**EXECUTIVE SUB-COMMITTEE FOR PROPERTY**

A meeting of the Executive Sub-Committee for Property was held on 15 June 2016.

**PRESENT:** Councillors M Thompson (Chair), J Brunton, M Carr, T Harvey, J Rostron and N J Walker

**ALSO IN ATTENDANCE:** Councillors: P Cox, M Saunders and L McGloin.

**OFFICIALS:** M Shepherd, D Velemir, L Henman and S Brown

**APOLOGIES FOR ABSENCE:** Councillor L Young, Councillor C M Rooney

16/1 **MINUTES OF THE MEETING HELD ON 16 MARCH 2016.**

The minutes of the Executive Sub Committee for Property Panel held on 16 March 2016 were taken as read and signed off by the Chair as a true record.

16/2 **EXPRESSIONS OF INTEREST FOR SOUTHLANDS CENTRE.**

The Executive Director, Commercial and Corporate Services submitted a report that outlined the expressions of interest received for the Southlands Centre and gave an update on the next stage of the project.

In order to progress to a more detailed appraisal, more detailed business cases would be required from the bidders, which would then be assessed using an agreed scoring matrix which would take account of the project priorities in line with the Council's Vision and strategic objectives. The proposed assessment matrix was shown in Appendix Two of the report.

The report outlined that there were two options available:

1. Option 1 - Do nothing. This could result in:
  - Failure to achieve a savings target of £300,000.
  - On-going holding costs of vacant space.
  - Future repairs and maintenance liabilities.
2. Option 2 - Detailed business case submissions from four of the initial five interested Parties be sought. This could result in:
  - A more detailed assessment and appraisal of options against the key criteria.
  - Determine whether business cases are robust.
  - Sustainable future management of the Southlands Centre.
  - Consideration as to whether the Council might consider retaining the future management of the Enterprise/Business facility.

**ORDERED**

1. **That detailed business case submissions be invited from Bidders A,B,C, & D;**
2. **That detailed business cases be evaluated and scored against the proposed scoring matrix as set out in Appendix 2 of the report; and**
3. **That following evaluation, a further report be presented to Executive setting out the recommendation for the future management of the Southlands Centre.**

**REASONS:**

The decisions were supported by the following reasons:

- **The proposal addresses issues around the vacated community space in the Southlands Centre.**

- The proposal allows the Council to maximise opportunities regarding the future sustainability of the existing businesses within the Enterprise/Business facility.
- The proposal could generate significant financial savings and support the wider strategic objectives of the Council.
- The proposed approach allows a more detailed assessment of businesses cases and an assessment framework which will ensure the best possible outcomes for the Council.

16/3

**HEMLINGTON RECREATION CENTRE, FARMHOUSE BUILDING AND DEPOT - PROPOSED COMMUNITY ASSET TRANSFER.**

The Executive Director, Commercial and Corporate Services submitted a report that gave an update on progress, following their approval of a previous Executive Report on the 11TH August 2015, which approved pursuing expressions of interest for the Community Asset Transfer (CAT) of Hemlington Recreation Centre, the adjacent Depot building and the Farm House building.

The report outlined that there were four options available:

1. Option 1 - Close the facility and demolish the buildings. This would result in:
  - Loss of valuable facilities for the community
  - Reduction in service provision in a deprived ward.
  - Limiting community access to physical activities and health and well-being interventions.
  - Demolition costs of approximately £50,000.
2. Option 2 - Continue with Council management of the facilities. This would result in:
  - A minimum of £78,200 annual budget pressure.
  - £236,000 current backlog maintenance requirements, without which further deterioration of the buildings would result.
  - Transferring the management of the facility to an appropriate service area.
3. Option 3 - Community Asset Transfer the buildings. This would result in:
  - Continued community use of the buildings in a deprived ward, providing access to physical activities and health and well-being interventions
  - The Council providing tapered financial support in the early years
  - A risk to the Council that the organisations fail to deliver on their proposals, however this is prevalent in all such transfers
4. Option 4 - Place the buildings on the commercial market. This would result in:
  - Loss of all community and health/wellbeing facilities in a deprived ward.
  - The potential for consideration of a range of alternative options for the future use of the site.
  - Income for the Council through a potential capital receipt.

**ORDERED**

1. **negotiations be entered into with Tees Valley Community Asset Preservation Trust (TVCAPT) to facilitate the Community Asset Transfer of Hemlington Recreation Centre and Farmhouse Building; and**
2. **negotiations be entered into with Hemlington Juniors Football club to facilitate the Community Asset Transfer of the Depot building.**

**REASONS**

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

- The proposal is in keeping with the Council's Change Programme initiatives and the Land and Property Estates Strategy. Supporting local communities in reducing pressure on Council resources, assisting in supplementing and supporting current Council services, and allowing for local charities, voluntary organisation and community groups to deliver within the community.
- The proposal safeguards a very important community asset in a deprived ward in Middlesbrough, helping to meet the needs of an aging population, providing support for young people, and making a contribution to improving public health.
- The proposal also encourages a more sustainable strategy for future development and investment in Hemlington.
- The proposal is in keeping with the approved recommendations of the Community Asset Transfer Executive Report 11th August 2015.

16/4 **MELROSE HOUSE, 1 MELROSE STREET, MIDDLESBROUGH TS1 2HX - PROPOSED FREEHOLD SALE.**

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 Melrose House, and sought approval to proceed with the sale of the subject property in accordance with the report's recommendations.

The report outlined that there were three options available:

1. Option 1 - To reuse the property for another purpose - no Council operational requirement had been identified.
2. Option 2 - To proceed with the sale of the property in accordance with the recommendations made within the report - in order to meet the Council's requirement to generate capital receipts, and bring the building and land into a far more beneficial use in the future.
3. Option 3 - Do nothing - the property would remain in its present state. Whilst it would be retained for potential future Council use, the liability and responsibility for maintaining and holding the building and land would remain with the Council in the interim.

**ORDERED**

1. **That the disposal of the subject property to the preferred bidder proceed, as outlined in Part B within the report.**

**REASON**

The decision were supported by the following reason:

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

16/5 **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.

**16/6 HEMLINGTON RECREATION CENTRE, FARMHOUSE BUILDING AND DEPOT – PROPOSED COMMUNITY ASSET TRANSFER.**

The Executive Director, Commercial and Corporate Services submitted a report that gave an update on the progress, following their approval of a previous Executive Report on the 11th August 2015.

Expressions of interests were sought for a Community Asset Transfer (CAT) of Hemlington Recreation Centre, the adjacent Depot building and the Farm House building.

The report outlined the actual cost to the Council of running Hemlington Recreation Centre.

Hemlington Recreation Centre was previously managed by the Council's Sport and Leisure Service but was not considered suitable to become part of the new Trust arrangement with SLM.

**ORDERED**

**That the recommendations of the report be approved.**

**REASON:**

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

**For reasons outlined in the report.**

**16/7 MELROSE HOUSE, 1 MELROSE STREET, MIDDLESBROUGH TS1 2HX - PROPOSED FREEHOLD SALE.**

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 Melrose House, and sought approval to proceed with the sale of the subject property in accordance with the report's recommendations.

Three bids were received and submitted on a similar basis - for the property in its entirety, together with a parcel of land adjacent Borough Rd (this parcel being restricted to use only as additional parking for the benefit of Melrose House).

The report gave details of the background of Melrose House and the options available.

**ORDERED**

**That subject to the conditions below the recommendations contained within the report be approved.**

- **If the preferred Bidder cannot go ahead, a further report be brought back to the Executive Sub Committee for Property Panel before proceeding with the sale to the second preferred bidder.**

**REASON**

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

**For reasons outlined in the report.**

16/8      **ANY OTHER BUSINESS.**

**Wentworth / Waverly Street**

A briefing note on the Provisional Heads of Terms was distributed at the meeting for information.

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.