

EXECUTIVE SUB-COMMITTEE FOR PROPERTY

A meeting of the Executive Sub-Committee for Property was held on 6 September 2017.

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

ALSO IN ATTENDANCE: Councillor B Hubbard and Councillor J Young

OFFICIALS: S Blood, M Shepherd, J Bromiley, G Wijesinghe and A Pain

APOLOGIES FOR ABSENCE: Councillor C M Rooney, Councillor J Rostron

DECLARATIONS OF INTERESTS

None declared

17/4 MINUTES OF THE MEETING HELD ON 12 JULY 2017

The minutes be deferred to the next meeting on 6 October 2017

17/5 UPDATE ON FUTURE OF SOUTHLANDS CENTRE

The Strategic Director of Finance, Governance and Support submitted a report to provide an update on the ongoing discussions with the current licensees around a revised management model for the centre together with any developments in respect of further third party interest in the site.

The report outlined that a report came to Executive Sub Committee for Property on the 22nd of March 2017, where it approved the recommendation to cease discussions with the only bidder and explore alternative viable uses for the site. Officers were required to come back to executive Sub Committee for Property in September 2017, setting out the viable uses for the site.

The decision was subsequently called in and Overview and Scrutiny Board on the 20th of April 2017 upheld the decision of Executive Sub Committee for Property. Following the meeting and partly in response to a request from the Board a group of senior officers / an executive member engaged in discussion with a number of licensees resulting in an agreement to explore further options to keep the centre open.

The report stated that the outcome of these discussions along with any other viable uses for the site were to be reported back to the Executive Sub Committee for Property for consideration. 8. A working group of officers was set up to lead on and work with group of licensees to investigate options to keep the centre open (See Appendix 1 for Actions Undertaken). At the same time officers would explore alternative viable options as a result of third party expressions of interest.

The licensee group made it clear from the outset that they wanted the Council to continue to operate the business side of the centre as they did not have the capacity to manage this themselves. In addition their offer regarding increased rent or a new management model was contingent on the leisure side of the centre operating as a separate entity managed by a third party via a lease arrangement. the report outlined that the working group undertook a detailed assessment of the current running costs, together with a phased investment strategy for the centre, funded through significant rents increases. These were shared with both the licensees and an interested party who had previously expressed an interest in running the community activity.

The projected profit and loss account, phased investment costs and proposed rental increases to fund this are set out in Appendix 2. They are based on a projected occupancy level of 75%

which is typical industry standard for enterprise / start up accommodation. The report further outlined that the engagement process with licensees / community operator has been undertaken in accordance with the Council Programme and Project Management (PPM) Framework, utilising Project on a Page (POAP) to ensure it has been robustly managed.

The report gave details of the current position of the Southlands Centre and the future options for the Southlands Site, further details of which were outlined in the report.

Councillor B Hubbard was present and wished to thank the officers who had been involved in the work at Southlands and asked for clarity as to whether it had been agreed to undertake an asset disposal of the Southlands.

The Strategic Director of Finance, Governance and Support confirmed that Southlands had not gone through an asset disposal process and a further report setting out the final offer from the business licensees/ community operator, together with the financial impact of that offer for the Council going forward would be brought to the committee in November.

ORDERED

1. That Executive Sub Committee for Property note the contents of this report and the progress to date.
2. That Executive Sub Committee for Property agree to a short extension to allow discussions to be fully concluded with the licensees / community operator, hopefully leading to a full and final offer. A further report will come before the committee in November, which will set out in detail the final offer from the licensees / community operator together with alternative uses or subsequent offers from third parties, from which members can make an informed decision around the future use of the centre.

REASONS

The decisions were supported by the following reasons:

1. Officers have engaged constructively with the users of the facility to help them develop a sustainable offer which will allow the centre to remain open.
2. Alongside this approach officers continue to speak to interested parties with a view to exploring alternative offers which could provide a viable / sustainable use for the site which promotes ongoing business /community use.
3. Once these discussions conclude and we have a range of finalised offers, members will be presented with a report setting these out in terms of costs, benefits and risks.
4. It is hoped that this report will come forward in November of this year and will allow members to make a fully informed decision on the future of the Centre.

The decision(s) will come into force after five working days following the day the decision(s) was published unless the decision becomes subject to the call in procedures.