

# **FINANCE AND PROCUREMENT PORTFOLIO**

## **DECISION SCHEDULE**



**Thursday 17 November 2011**

**at 10.00 am**

**in Committee Room C, Civic Centre, Hartlepool**

Councillor R Payne, Cabinet Member responsible for Finance and Procurement will consider the following items.

### **1. KEY DECISIONS**

No items.

### **2. OTHER ITEMS REQUIRING DECISION**

- 2.1 Eamont Gardens Garage Site – Proposed Sale - *Assistant Director (Resources)*
- 2.2 Sewer Easement Hill View Greatham - *Assistant Director (Resources)*
- 2.3 Land at Central Park – *Assistant Director (Resources)*

### **3. ITEMS FOR INFORMATION**

No items

### **4. LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006**

#### **EXEMPT ITEMS**

Under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the

grounds that it involves the likely disclosure of exempt information as defined in the paragraphs referred to below of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006

## **5. EXEMPT KEY DECISIONS**

- 5.1 Sale of Foggy Furze Library and Staby House Sites (Paras 2 and 3) – *Assistant Director (Resources)*

## **6. OTHER EXEMPT ITEMS REQUIRING DECISION**

- 6.1 Briarfields – Hugill (Para 3) – *Assistant Director (Resources)*

## **FINANCE AND PROCUREMENT PORTFOLIO**

Report To Portfolio Holder

17th November 2011



**Report of:** Assistant Director (Resources)

**Subject:** EAMONT GARDENS GARAGE SITE-  
PROPOSED SALE

---

### SUMMARY

#### **1. PURPOSE OF REPORT**

To seek Portfolio Holder approval to dispose of Eamont Gardens Garage Site.

#### **2. SUMMARY OF CONTENTS**

The report contains background to the proposal and the recommendations.

#### **3. RELEVANCE TO PORTFOLIO MEMBER**

Portfolio Holder has responsibility for the Council's land and property assets.

#### **4. TYPE OF DECISION**

Non Key

#### **5. DECISION MAKING ROUTE**

Portfolio Holder only

#### **6. DECISION(S) REQUIRED**

Portfolio Holder to grant approval for the sale of Eamont Gardens Garage Site

**Report of:** Assistant Director (Resources)

**Subject:** EAMONT GARDENS GARAGE SITE-  
PROPOSED SALE

---

**1. PURPOSE OF REPORT**

- 1.1 To seek Portfolio Holder approval to dispose of Eamont Gardens Garage Site.

**2. BACKGROUND**

- 2.1 Portfolio Holder will recall granting approval on the 6<sup>th</sup> January 2011 to the marketing and selling of Eamont Gardens Garage site..
- 2.2 The property has been marketed by informal tender with a development brief indicating the site being suitable for a residential development closing date of 12th August 2011. One tender was received details of which are disclosed in confidential **Appendix 1. This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3) information relating to the financial or business affairs of any particular person (including the authority holding that information.**
- 2.3 The offer was much lower than the Estates manager considered represented market value. The bidder was advised of the Councils position and a final revised offer was invited however this was also below an acceptable level and was rejected.
- 2.4 Subsequently a further bid has been received at a much higher level and this is recommended for approval.

**3. PROPOSALS**

- 3.1 It is proposed that the Council proceeds with the higher offer that was made for the site.
- 3.2 The sale is not subject to any caveats i.e. the purchaser to secure planning permission before proceeding. The interested party anticipates a 28 day turn around should approval be granted.

- 3.3 The site currently consists of 14 garages that are managed by Housing Hartlepool on behalf of the Council, and the majority of which are currently occupied under a lease agreement. Within the lease there is an option to break upon providing one month's notice in writing to the tenant. The interested party plans to allow the tenants to remain in occupation while planning permission is secured subsequent to this notice will be served on the tenant.

#### **4. FINANCIAL CONSIDERATIONS**

- 4.1 Financial Considerations are set out in confidential **Appendix 1. This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3) information relating to the financial or business affairs of any particular person (including the authority holding that information**

#### **5. RECOMMENDATIONS**

- 5.1 Portfolio Holder to grant approval for the sale of Eamont Gardens Garage Site

#### **6 REASONS FOR RECOMMENDATIONS**

- 6.1 The offer represents market value for the site.
- 6.2 Currently 14 garages occupy part of the site that will require demolition in the near future due to the poor condition which the Council will be liable, the cost of which is estimated in the region £11,000
- 6.3 A consultation exercise was previously undertaken with tenants of the garages resulting in the majority of returns agreeing with the disposal option.
- 6.4 The Council will realise a capital receipt from the sale of the site.

#### **7. CONTACT OFFICER**

James Cuthbert  
Estates and Valuation Surveyor  
Tel: 01429 523236  
Email: [james.cuthbert@hartlepool.gov.uk](mailto:james.cuthbert@hartlepool.gov.uk)

## **FINANCE AND PROCUREMENT PORTFOLIO**

Report To Portfolio Holder

**17<sup>th</sup> November 2011**



**Report of:** Assistant Director (Resources)

**Subject:** SEWER EASEMENT HILL VIEW GREATHAM

---

### **SUMMARY**

#### **1. PURPOSE OF REPORT**

To seek approval for the granting of a sewer easement.

#### **2. SUMMARY OF CONTENTS**

Background to case and current recommendations.

#### **3. RELEVANCE TO PORTFOLIO MEMBER**

Portfolio Holder has responsibility for the Council's land and property assets.

#### **4. TYPE OF DECISION**

Non Key

#### **5. DECISION MAKING ROUTE**

Portfolio holder only

#### **6. DECISION(S) REQUIRED**

Approval to grant the easement

**Report of:** Assistant Director (Resources)

**Subject:** SEWER EASEMENT HILL VIEW GREATHAM

---

**1. PURPOSE OF REPORT**

- 1.1 To seek approval for the granting of a sewer easement.

**2. BACKGROUND**

- 2.1 The Council owns an area of Public Open Space adjoining Hill View and the rear of Saltaire Terrace in Greatham. To the north of the land is a proposed development site extending to approximately 2.5 acres and bounded by Station Road to the east and north.
- 2.2 A developer is considering a residential development of the site and has approached the Council with a view to obtaining a drainage easement across part of the Public Open Space land. The purpose of this is to facilitate drainage of the site by enabling a connection into the public sewer in Hill View.
- 2.3 As noted above, the site fronts Station Road, where there are also public sewers, but a connection into Hill View is preferable for various reasons; the sewer is deeper and doesn't serve any other properties (except surface water drainage from the road) and the slight slope down towards the southern end of the site also favours its use.
- 2.4 A planning application has not yet been made for the development site, but initial discussions have been carried out with planning officers. The developer's original proposal was for 32 detached and semi detached houses. Planning policy considerations are likely both to reduce the number of houses and to change the style and layout of the estate to include terraced housing as well as some detached and semi detached properties.
- 2.5 The proposed route of the easement is shown coloured solid black on the plan at **Appendix 1**. The plan also shows the development site (hatched). The easement will cross approximately 15 metres of public open space land. The easement and construction of the sewer will have no material impact on the value or use of the land as it is public open space without any development potential.
- 2.6 The terms of the proposed grant are as outlined in Confidential **Appendix 2. This item contains exempt information under**

**Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (paras. 2 and 3), information which is likely to reveal the identity of an individual and information relating to the financial or business affairs of any particular person (including the authority holding that information).**

### **3 PROPOSALS**

- 3.1 It is proposed to grant the easement on the terms outlined.

### **4 FINANCIAL CONSIDERATIONS**

- 4.1 The proposed terms are considered to reflect fully the market value of the right to be granted.

### **5 ASSET MANAGEMENT CONSIDERATIONS**

- 5.1 The attention of the Portfolio Holder is drawn to the Asset Management element of the Business Transformation programme. The decision by Cabinet of January 2009 requires a commercial, proactive approach to be taken on Asset Management issues.
- 5.2 The decision to adopt a commercial approach to asset management requires the Council to realise the full value of any properties or property rights that it disposes of.

### **6. RECOMMENDATIONS**

- 6.1 Approval to grant the easement.

### **7. REASONS FOR RECOMMENDATIONS**

- a. The proposed terms are considered to reflect fully the market value of the right to be granted.
- b. The easement and construction of the sewer will have no material impact on the value or use of the land as it is public open space without any development potential.
- c. The grant will result in a receipt, with all costs being covered in addition.

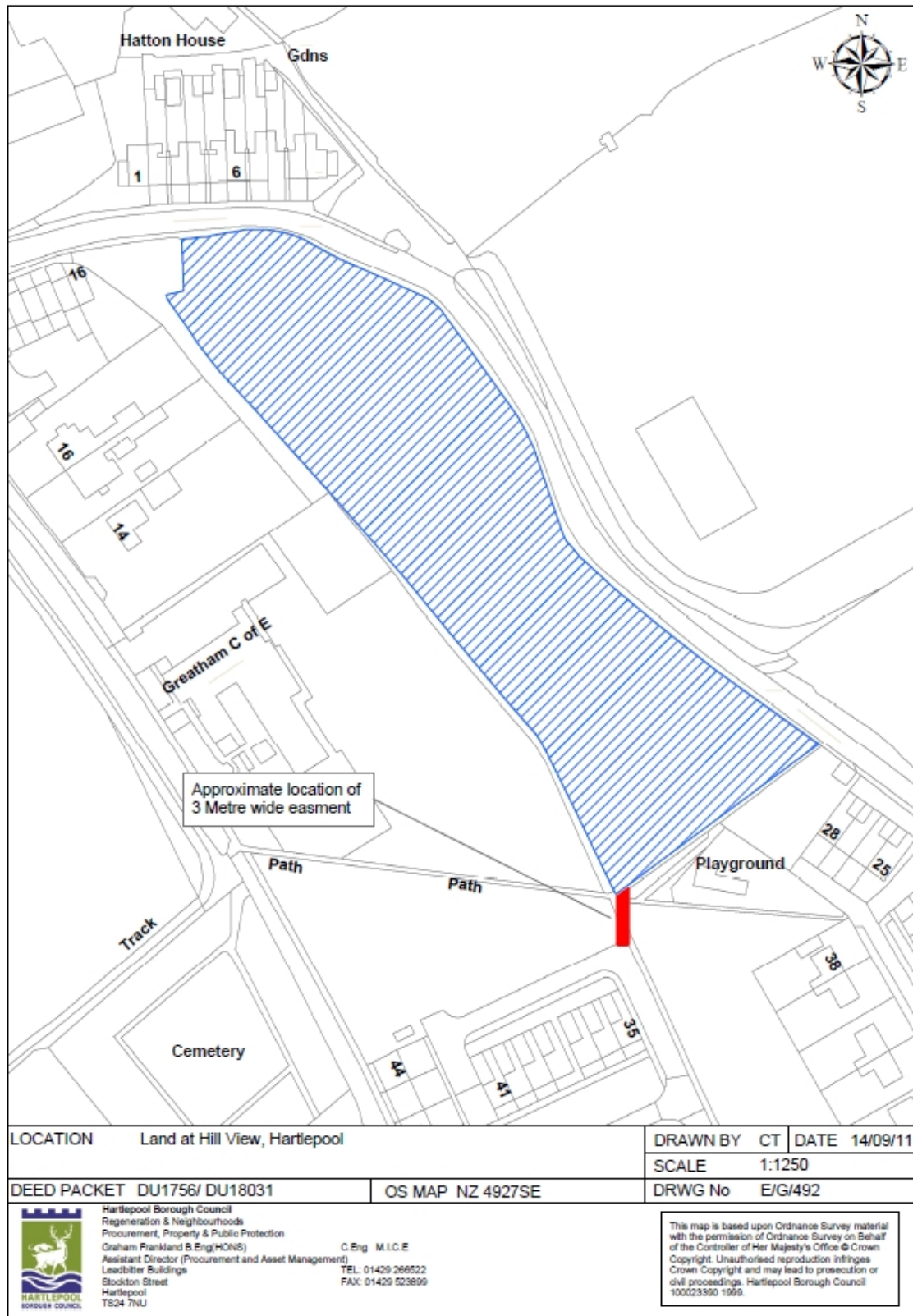


**8. CONTACT OFFICER**

Philip Timmins BA Hons MRICS  
Principal Estates Surveyor  
Regeneration and Neighbourhoods (Resources)  
Estates Section

Telephone No 01429 523228  
[philip.timmins@hartlepool.gov.uk](mailto:philip.timmins@hartlepool.gov.uk)

## APPENDIX 1



## **FINANCE AND PROCUREMENT PORTFOLIO**

Report To Portfolio Holder

17<sup>th</sup> November 2011



**Report of:** Assistant Director (Resources)

**Subject:** LAND AT CENTRAL PARK

---

### SUMMARY

#### 1. PURPOSE OF REPORT

To seek approval for the sale of land at Central Park for development access purposes together with the release of covenants and other related matters.

#### 2. SUMMARY OF CONTENTS

Background to case and current proposals

#### 3. RELEVANCE TO PORTFOLIO MEMBER

Portfolio Holder is responsible for the Council's land and property assets.

#### 4. TYPE OF DECISION

Non-key

#### 5. DECISION MAKING ROUTE

Portfolio Holder only.

#### 6. DECISION(S) REQUIRED

That Portfolio Holder approves the proposed transactions for the sale of land at Central Park on the terms outlined in **Confidential Appendix 5**. **This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely (para 3),**

**information relating to the financial or business affairs of any particular person (including the authority holding that information.**

**Report of:** Assistant Director (Resources)

**Subject:** LAND AT CENTRAL PARK

---

## **1. PURPOSE OF REPORT**

- 1.1 To seek approval for the sale of land at Central Park for development access purposes together with the release of covenants and other related matters.

## **2. BACKGROUND**

- 2.1 Following the closure of the former Britmag sites on Old Cemetery Road, the land was acquired by Starford Holdings Ltd, a development company. Their land holding is shown on the plan at **Appendix 1**.

- 2.2 Starford applied for outline permission for a residential development in 2005. This was refused but granted on appeal in 2010. The development is to comprise 484 houses, together with significant areas of amenity space, sited across the 4 areas of land.

- 2.3 The sites currently comprise the most significant derelict former industrial property in Hartlepool. Three of the four sites have extensive areas of derelict structures including large settling tanks and the Steetley chimney. Due to the nature of the sites and their location they have been a focus of anti-social behaviour, public safety and other issues since the closure of the works.

- 2.4 As noted above, the planning application was initially refused. The applicants appealed and the application was called in by the Secretary of State and subsequently granted by him. Paragraph 33 of the decision notice sums up the merits of the scheme as follows:

“The Secretary of State considers that the site and proposal are far from ideal in terms of access by non-car modes, car dependency and a dearth of on-site community facilities. However, he concludes that there is no significant conflict with the Development Plan and that these disadvantages are clearly outweighed by the combination of benefits in terms of the regeneration of a contaminated and high profile brownfield site, the restoration of a stretch of despoiled coastline and the contribution to housing supply including family and affordable housing”.

- 2.5 The permission is subject to an extensive list of conditions and a Section 106 agreement. The conditions and agreement relate to various matters including decontamination of the sites, provision of a re-routed coastal

footpath and cycle route, ecological mitigation measures and affordable housing. At the time of writing, discussions are still ongoing between Starford and the Council's Engineers with regard to the details of the remediation process. The developer's proposals have been agreed to in principle subject to receiving further supporting/mitigating information relating to asbestos management and re-use of materials in accordance with the Code of Practice: Definition of Waste. Until the required information has been provided, the developer is not permitted to commence onsite with the site clearance works.

- 2.6 The redevelopment of the property is also considered important and beneficial by the Council's Planning Officers for a number of reasons as follows:

### **Housing Numbers**

Over the next five years a large proportion of the additional dwellings are proposed to be accommodated on sites which benefit from existing planning permissions and/or are already earmarked for development, particularly at the Marina and at the former Magnesia Works at Old Cemetery Road. This site is part of the Council's evidence base in terms of housing numbers for the Borough.

### **Physical Regeneration**

It is considered that the development offers the only viable opportunity of significant physical improvement to what is currently a derelict eyesore in a very prominent location. The environment of the site will be improved through decontamination, clearance and the development of access to open space and the coastline. The extent of industrial pollution on the site is significant and may cost in the region up to £4.5 million to remediate. An estimated further £4.7m or thereabouts for site stabilisation and other essential works will also be required to make the site suitable for development. This will not be achieved without residential redevelopment of the sites of sufficient scale and quality to generate the necessary value to fund such costs. The influx of residents is also anticipated to be beneficial to the local economy.

### **Antisocial behaviour, crime/vandalism**

The redevelopment of this site would remove the sites' uncertain future. It has been well documented that the site is suffering from anti-social behaviour, theft and trespass. There have been public safety issues with the site in terms of debris falling onto the public highway and striking a passerby. The redevelopment of the site will remove the focus for these problems in the short term and provide an attractive long term solution to the area in such a prominent location.

### Visual Amenity

In terms of visual amenity the site is prominent and can be viewed throughout the town, by the areas to the north and from the main Middlesbrough to Newcastle railway line. It is a gateway site which is currently an eyesore detrimental to the town's aspirations for growth and image. It is considered that this application represents the only opportunity for the Council to be proactive in tackling a problem site with a view to long term physical improvements.

The proposal represents the only practical means of putting the site to positive use and eliminating the environmental and safety problems presented by the sites current condition.

- 2.7 One of the conditions of the planning permission is that a new access road is constructed on the land shown hatched on the plan at **Appendix 2**. This forms a section of the eastern end of Central Park, which is all Council-owned. The land required for the road extends to approximately 0.85 acres/0.35ha.
- 2.8 Clearly, in order to implement the construction of the road and thus enable the full development to proceed, the developer needs to acquire the land from the Council. The road will be adopted on completion to an adoptable standard.
- 2.9 The developer also requires on a temporary basis additional areas adjoining the land to accommodate the road building works. This amounts to a further 0.28 acres
- 2.10 In addition, as it is Public Open Space land, the disposal process for such land will also have to be followed.
- 2.11 In addition to the sale of the Central Park land, the developer requires the release of various restrictive covenants affecting parts of the land. These are detailed in **Confidential Appendix 3. This information contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely (para. 3), information relating to the financial or business affairs of any particular person (including the authority holding that information.** The covenants are not necessarily enforceable now, but their release will "clean up" the titles to the land parcels and ensure they can be developed for housing.
- 2.12 Finally, the developers require rights to build an access road between sites A and B across further Council-owned land located between Brus Tunnel and the beach. The land is shown hatched on the plan at **Appendix 4**.
- 2.13 Extensive negotiations have taken place with Starford's agents over the past year in relation to the sale of the Central Park land and related matters. Starford do not intend to build out the sites themselves but to

prepare them for sale to major housebuilders as ready to build on sites complete with outline planning permission, remediation completed, site stabilised, section 106 works carried out etc.

- 2.14 Heads of Terms have now been provisionally agreed covering the sale of the Central Park land, release of the restrictive covenants and the grant of rights over the land near Brus Tunnel. The proposed Heads of Terms are detailed at **Confidential Appendix 5. This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information.** Portfolio Holder's attention is drawn to the additional contribution to be made by the developer in relation to associated environmental improvements.
- 2.15 Following the September portfolio meeting, consideration has been given to the possibility of alternative road schemes which would avoid the need to build a road through Central Park. The Council's engineering section has produced a proposal for a roundabout at the junction with Thorpe St. The proposal is shown on the plan at **Appendix 6**. The proposal involves realigning the eastern end of Old Cemetery road to take the junction further away from the proposed roundabout and making Thorpe St one way in order to prevent excessive build-ups of traffic at the roundabout and back into Thorpe St. Access to Thorpe St would be from Vane St/Marine Drive/Frederic St
- 2.16 Planning, and highways officers have been consulted regarding this proposal and have raised a number of concerns as follows:
- 2.16.1 There are likely to be objections from the residents of Vane St, Thorpe St and Frederic St to the change over to a one way arrangement.
- 2.16.2 The new layout would need to be constructed in such a way as to allow 2 way access in the event of emergencies (road closure on the section of Northgate east of the proposed roundabout, etc).
- 2.16.3 The proposed roundabout would bring a significant amount of traffic closer to the existing houses, which would have a adverse impact in terms of noise and disturbance.
- 2.16.4 A new planning application would be required which would also necessitate a new legal agreement. This would delay the start of development and may also have a cost implication.
- 2.16.5 The PD Ports substation may hamper sight lines to the roundabout.
- 2.16.6 The proximity of the existing port access to the proposed roundabout may cause highway safety problems.



- 2.16.7 There may be an effect on the stability of the Engine House which is a Listed Building.
- 2.17 The proposal would also involve the use of some HBC land (approximately 220 square metres on the south-eastern corner of the former St Begas School playing field), a larger piece of land (approx 400 square metres) adjoining Thorpe St in private ownership (owner not known) and approximately 1,000 sq metres (0.25 acres) of PD Ports land on the southern side of the roundabout. It would therefore be necessary for Starford or the Council to acquire this additional land. The owners may not be willing to sell and in any event there would be further delay in the development proceeding. This is considered undesirable given the state of the former Steetley sites.

### 3. PROPOSALS

- 3.1 It is proposed to proceed on the basis of the Heads of Terms in **Confidential Appendix 5** to sell the land at Central Park, release the restrictive covenants and grant the rights over the land at Brus Tunnel. **This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information).**

### 4. FINANCIAL AND RISK CONSIDERATIONS

- 4.1 The sale of the land and related transactions will result in a substantial capital receipt, albeit partly over a period of years dependent on the sale of Sites B, C and D. The sum to be paid has been subject to extensive negotiations to ensure best value has been achieved.
- 4.2 The sale price also provides for a proportion of any increase in the site values over time.
- 4.3 The sale of land is key in ensuring a significant development opportunity is achieved on a problematic and high-risk site.

### 5 LEGAL CONSIDERATIONS

- 5.1 As noted above, it will be necessary to follow the disposal process for Public Open Space land in relation to the sale of the Central Park land.

## 6 ASSET MANAGEMENT CONSIDERATIONS

- 6.1 The attention of the Portfolio Holder is drawn to the Asset Management element of the Business Transformation programme. The decision by Cabinet of January 2009 requires a commercial, proactive approach to be taken on Asset Management issues.
- 6.2 The decision to adopt a commercial approach to asset management requires the Council to realise the full value of any properties or property rights of which it disposes.

## 7. RECOMMENDATIONS

- 7.1 That Portfolio Holder approves the proposed transactions for the sale of land at Central Park on the terms outlined in **Confidential Appendix 5. This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information.**

## 8. REASONS FOR RECOMMENDATIONS

- 8.1 The proposed transactions will help to facilitate the redevelopment of the former Steetley sites and thus deal with one of the largest and most difficult derelict brownfield sites in Hartlepool.
- 8.2 The proposed sale price fully reflects market value. The structure of the proposed sale ensures both a satisfactory minimum amount but also a proportion of any increase in the site values resulting from the work that is carried out and the marketing of the property, together with any general appreciation in residential land values affecting the property.

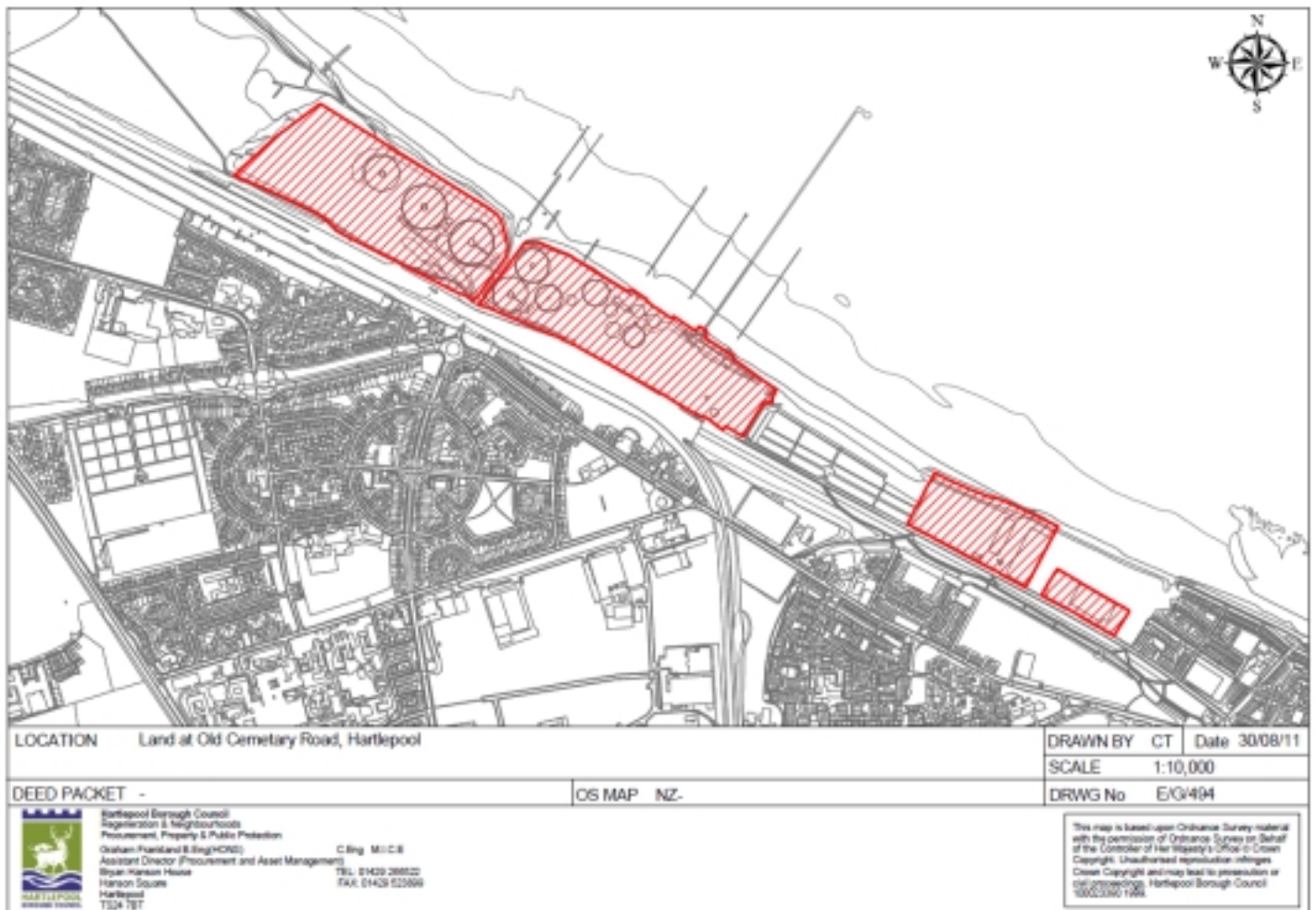
## 9. CONTACT OFFICER

- 9.1 Philip Timmins BA Hons MRICS  
Principal Estates Surveyor  
Regeneration and Neighbourhoods (Resources)  
Estates Section

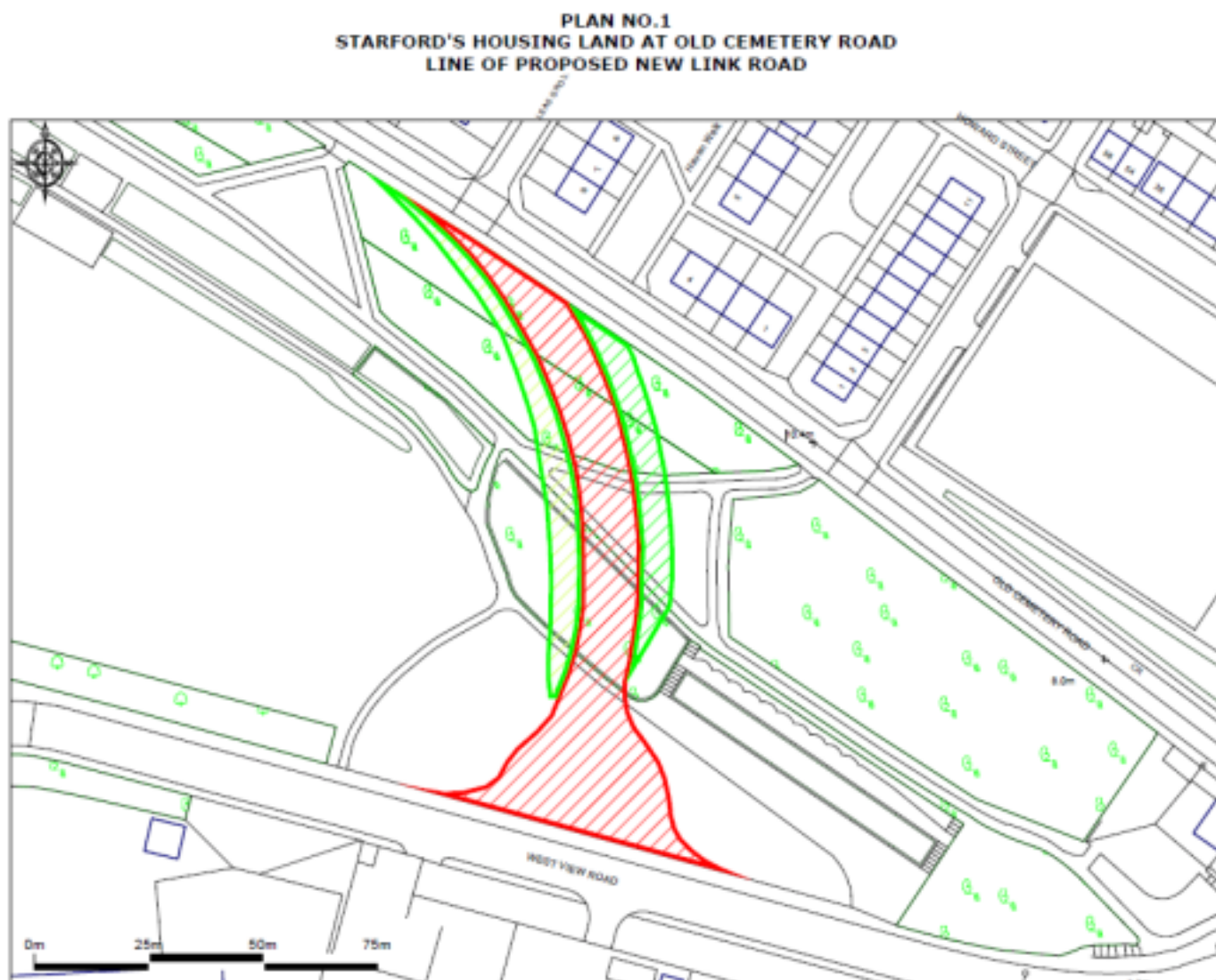
Telephone No 01429 523228

[philip.timmings@hartlepool.gov.uk](mailto:philip.timmings@hartlepool.gov.uk)

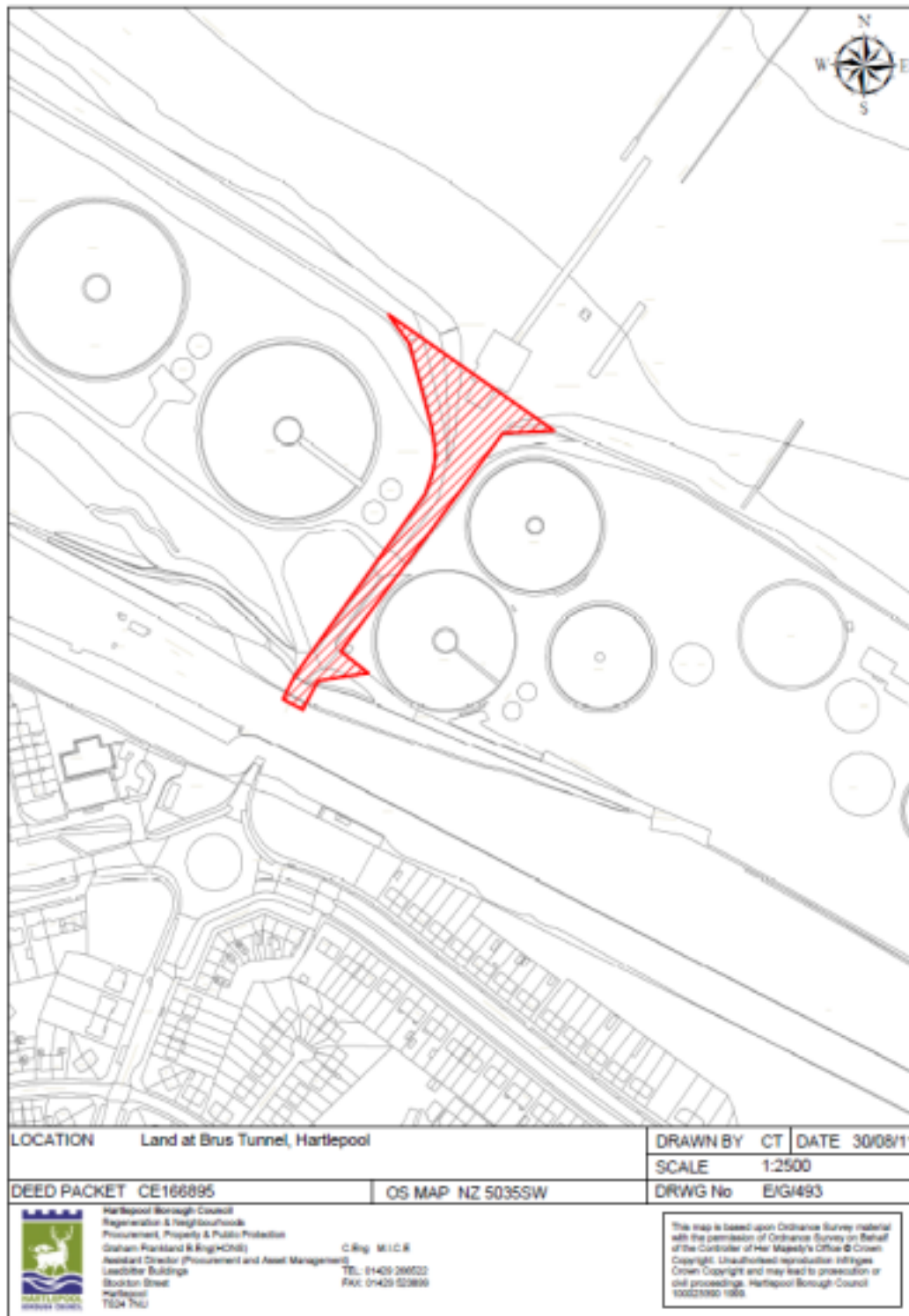
## APPENDIX 1



APPENDIX 2



## APPENDIX 4





## APPENDIX 6

