

REPLACEMENT AGENDA

FINANCE AND PROCUREMENT PORTFOLIO

DECISION SCHEDULE



Thursday 26 January 2012

at 10.00 am

in Committee Room B, Civic Centre, Hartlepool

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

1. KEY DECISIONS

- 1.1 Disposal of 156 Grange Road, Brooklyn Day Centre – *Assistant Director (Resources)*
- 1.2 Disposal of the Former Somersby Close Family Resource Centre – *Assistant Director (Resources)*
- 1.3 Disposal of 85 Station Lane – *Assistant Director (Resources)*
- 1.4 Throston Grange Community Centre – *Assistant Director (Resources)*
- 1.5 Land at Clavering Road – *Assistant Director (Resources) (Additional item)*

2. OTHER ITEMS REQUIRING DECISION

- 2.1 Belle Vue Way / Ladysmith Street Release of Restrictive Covenant – *Assistant Director (Resources)*
- 2.2 Land at Easington Road and Somersby Close - *Assistant Director (Resources)*
- 2.3 Wharton Trust Lease - *Assistant Director (Resources)*

FINANCE AND PROCUREMENT PORTFOLIO

Report To Portfolio Holder

26th January 2012



Report of: Assistant Director (Resources)

Subject: DISPOSAL OF 156 GRANGE ROAD,
BROOKLYN DAY CENTRE

SUMMARY

1. PURPOSE OF REPORT

To seek approval from the Portfolio Holder to proceed with the disposal of Brooklyn Day Centre, Grange Road.

2. SUMMARY OF CONTENTS

The report contains background to the proposal and the recommendations for action.

3. RELEVANCE TO PORTFOLIO MEMBER

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

4. TYPE OF DECISION

Key. RN 13/09. Test (i) and (ii) applies.

5. DECISION MAKING ROUTE

Portfolio Holder only.

6. DECISION(S) REQUIRED

Portfolio Holder to grant approval for the disposal of Brooklyn Day Centre as per the terms discussed in **Confidential Appendix 1**. **This item contains exempt information under Schedule 12A of the 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: DISPOSAL OF 156 GRANGE ROAD,
BROOKLYN DAY CENTRE

1. PURPOSE OF REPORT

- 1.1 To seek approval from the Portfolio Holder to proceed with the disposal of Brooklyn Day Centre, Grange Road.

2. BACKGROUND

- 2.1 Portfolio Holder will recollect from the Cabinet meeting of 13th July 2009 consent was given for the disposal of the freehold of a number of properties including Brooklyn Day Centre as part of the Business Transformation Programme; following this approval the Estates Section proceeded to market the site by informal tender with a closing date of 9th December 2011. This timing reflected the vacation of the building by the service department.
- 2.2 A number of tenders were received for the subject property; these are discussed in the **Confidential Appendix 1. This item contains exempt information under Schedule 12A of the 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 property was used by Child and Adults as an office but this service is being relocated to Sovereign House, Brenda Road.
- 2.4 In addition to the generation of a capital receipt the Council will also save an additional £10,487 per annum in terms of revenue savings from the closure of this property.

3. PROPOSALS

- 3.1 It is proposed to proceed with a sale to the preferred bidder in **Confidential Appendix 1). This item contains exempt information under Schedule 12A of the 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. ASSET MANAGEMENT CONSIDERATIONS

- 4.1 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.
- 4.2 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.

5. RECOMMENDATIONS

- 5.1 Portfolio Holder to grant approval for the disposal of Brooklyn Day Centre as per the terms discussed in **Confidential Appendix 1. This item contains exempt information under Schedule 12A of the 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.**

6. REASONS FOR RECOMMENDATIONS

- 6.1 The proposed sale price represents Market Value for the subject property.

7. BACKGROUND PAPERS

There are no background papers to this report.

8. CONTACT OFFICER

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FINANCE AND PROCUREMENT PORTFOLIO

Report To Portfolio Holder

26th January 2012



Report of: Assistant Director (Resources)

Subject: DISPOSAL OF THE FORMER SOMERSBY
CLOSE FAMILY RESOURCE CENTRE

SUMMARY

1. PURPOSE OF REPORT

To seek approval from the Portfolio Holder to proceed with the disposal of the former Somersby Close Family Resource Centre. (As indicated hatched on the attached plan as **Appendix 1**).

2. SUMMARY OF CONTENTS

The report contains background to the proposal and the recommendations for action.

3. RELEVANCE TO PORTFOLIO MEMBER

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

4. TYPE OF DECISION

Key RN13/09. Test (i) and (ii) applies.

5. DECISION MAKING ROUTE

Portfolio Holder only

6. DECISION(S) REQUIRED

Portfolio Holder to grant approval for the disposal of Somersby Close Family Resource Centre as per the terms discussed in **Confidential Appendix 2. This item contains exempt information under Schedule 12A of the 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: DISPOSAL OF THE FORMER SOMERSBY
CLOSE FAMILY RESOURCE CENTRE

1. PURPOSE OF REPORT

- 1.1 To seek approval from the Portfolio Holder to proceed with the disposal of the former Somersby Close Family Resource Centre.

2. BACKGROUND

- 2.1 Portfolio Holder will recollect from the meeting of 3rd February 2011 that consent was given for the disposal of the freehold of the former Family Resource centre at Somersby Close as the property had become surplus to requirements for Child and Adults Department subsequent to the relocation of staff to the Star Centre, Flint Walk.
- 2.2 The Estates Manager proceeded to market the property by informal tender the closing date of which was the 9th December 2011
- 2.3 Two tenders have been received as set out in **Confidential Appendix 1. This item contains exempt information under Schedule 12A of the 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.**
- 2.4 In addition to the generation of a capital receipt the Council will also save an additional £17,406 per annum in terms of revenue savings from the closure of this property.

3. PROPOSALS

- 3.1 It is proposed that the Portfolio Holder approves the highest offer received as the Estates Manager considers this represents market value for the subject property.

4. ASSET MANAGEMENT CONSIDERATIONS

- 4.1 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.
- 4.2 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.

5. RECOMMENDATIONS

- 5.1 Portfolio Holder to grant approval for the disposal of Somersby Close Family Resource Centre as per the terms discussed in **Confidential Appendix 2. This item contains exempt information under Schedule 12A of the 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.**

6. REASONS FOR RECOMMENDATIONS

- 6.1 The Estates Manger considers the sale price represents Market Value for the subject property.

7. BACKGROUND PAPERS

There are no background papers to this report.

8. CONTACT OFFICER

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FINANCE AND PROCUREMENT PORTFOLIO

Report To Portfolio Holder

26th January 2012



Report of: Assistant Director (Resources)

Subject: DISPOSAL OF 85 STATION LANE

SUMMARY

1. PURPOSE OF REPORT

To seek approval from the Portfolio Holder to proceed with the disposal of 85 Station Lane, Seaton Carew.

2. SUMMARY OF CONTENTS

The report contains background to the proposal and the recommendations for action.

3. RELEVANCE TO PORTFOLIO MEMBER

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

4. TYPE OF DECISION

Key. RN13/09. Test (i) and (ii) applies.

5. DECISION MAKING ROUTE

Portfolio Holder only.

6. DECISION(S) REQUIRED

Portfolio Holder to grant approval for the disposal of 85 Station Lane as per the terms discussed in **Confidential Appendix 1. This item contains exempt information under Schedule 12A of the 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: DISPOSAL OF 85 STATION LANE

1. PURPOSE OF REPORT

- 1.1 To seek approval from the Portfolio Holder to proceed with the disposal of 85 Station Lane, Seaton Carew.

2. BACKGROUND

- 2.1 Portfolio Holder will recollect from the Cabinet meeting of 13th July 2009 consent was given for the disposal of the freehold of a number of properties including 85 Station Lane as part of the Council's Business Transformation Programme; following this approval the Estates Manager proceeded to market the site by informal tender with a closing date of 9th December 2011. This timing reflected the vacation of the building by the service department.
- 2.2 Four tenders were received for the property; these are discussed in the **Confidential Appendix 1. This item contains exempt information under Schedule 12A of the 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 property is currently used by Child and Adults as an office but this service is being relocated to 8 and 9 Church Street as part of the Council's rationalisation programme.
- 2.4 In addition to the generation of a capital receipt the Council will also save an additional £32,957 per annum in terms of revenue savings from the closure of this property.

3. PROPOSALS

- 3.1 It is proposed to proceed with a sale to the preferred bidder **(Confidential Appendix 1). This item contains exempt information under Schedule 12A of the 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. ASSET MANAGEMENT CONSIDERATIONS

- 4.1 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.
- 4.2 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.

5. RECOMMENDATIONS

- 5.1 Portfolio Holder to grant approval for the disposal of 85 Station Lane as per the terms discussed in **Confidential Appendix 1. This item contains exempt information under Schedule 12A of the 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.**

6. REASONS FOR RECOMMENDATIONS

- 6.1 The Estates Manager considers the proposed sale price represents Market Value for the property.

7. BACKGROUND PAPERS

There are no background papers to the report.

8. CONTACT OFFICER

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FINANCE AND PROCUREMENT PORTFOLIO

Report To Portfolio Holder

26th January 2012



Report of: Assistant Director (Resources)

Subject: THROSTON GRANGE COMMUNITY CENTRE

SUMMARY

1. PURPOSE OF REPORT

To inform Portfolio Holder of the tenders received in relation to Throston Grange Community Centre and consider options to lease or sell the property.

2. SUMMARY OF CONTENTS

The report sets out the background to the proposal and details of the tenders that were received.

3. RELEVANCE TO PORTFOLIO MEMBER

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

5. TYPE OF DECISION

Key. RN 13/09. Test (i) and (ii) applies.

5. DECISION MAKING ROUTE

Portfolio Holder only.

6. DECISION(S) REQUIRED

The Portfolio Holder to consider the tenders received and provides guidance as to the preferred option to progress:-.

- a) Proceed to lease the property on the basis of the tenders received
- b) Consider rent and/or disposal on the basis of the tenders received.
- c) Consider disposal subject to a further marketing campaign offering the property for sale and/or lease.

Report of: Assistant Director (Resources)

Subject: THROSTON GRANGE COMMUNITY CENTRE

1. PURPOSE OF REPORT

- 1.1 To inform Portfolio Holder of the tenders received in relation to Throston Grange Community Centre and to consider the options to lease or sell the property.

2. BACKGROUND

- 2.1 Throston Grange Community Centre was identified within the Child and Adult Service review as an area where savings could be made.
- 2.2 It was advertised for a potential Community Asset Transfer but there were no expressions of interest. As a result the property has been marketed as being available to lease and interest sought from the Private and Third sectors.
- 2.3 The Estates Manager has marketed the property by informal tender with the closing date of 9th December 2011. Interest in the property has been limited but two tenders were received and opened by the Contract Scrutiny Committee on the 16th January 2012. Details are included **confidential Appendix 2 This item contains exempt information under Schedule 12A of the 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.**
- 2.4 The potential benefits of letting the property to the either the private or third sectors include:
- The Council retaining ownership and control
 - The Council's running/maintenance costs for the property would be reduced as these costs would be borne by the incoming tenant.
 - Increased usage of a Council owned asset.
 - Increase in socioeconomic benefits in the local area.
- 2.5 The potential benefits of selling the property include:

- Achievement of a capital receipt to contribute to the significant target in place to cover budget shortfalls.
- Disposal of a surplus building where opportunity for future council use will be limited.
- Disposal of a property on a site which has restricted access and use.

3. FINANCIAL CONSIDERATIONS

- 3.1 The financial considerations can be found attached at **Confidential Appendix 1. This item contains exempt information under Schedule 12A of the 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. ASSET MANAGEMENT CONSIDERATIONS

- 4.1 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.
- 4.2 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.

5. RECOMMENDATIONS

- 5.1 The Portfolio Holder to consider the tenders received and consider the options to either:
- a) Proceed to lease the property on the basis of the tenders received
 - b) Consider rent and/or disposal on the basis of the tenders received.
 - d) Consider disposal subject to a further marketing campaign offering the property for sale and/or lease.

6. BACKGROUND PAPERS

- 6.1 No background papers to this report.

7. CONTACT OFFICER

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FINANCE AND PROCUREMENT PORTFOLIO

Report To Portfolio Holder

26th January 2012



Report of: Assistant Director (Resources)

Subject: LAND AT CLAVERING ROAD

SUMMARY

1. PURPOSE OF REPORT

To update Portfolio Holder on the current situation and seek Portfolio Holder's views.

2. SUMMARY OF CONTENTS

Report on the background of the case and current recommendations.

3. RELEVANCE TO PORTFOLIO MEMBER

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

4. TYPE OF DECISION

Key test (i) and test (ii).apply. Key decision reference number RN13/09.

5. DECISION MAKING ROUTE

Portfolio Holder only

6. DECISION(S) REQUIRED

Portfolio Holder's views are sought.

Report of: Assistant Director (Resources)

Subject: LAND AT CLAVERING ROAD

1. PURPOSE OF REPORT

- 1.1 To update Portfolio Holder on the current situation and seek Portfolio Holder's views.

2. BACKGROUND

- 2.1 Following closure of the former Throston Grange Elderly Persons Home in Monmouth Grove in 2009, the property was demolished and the site placed on the market for sale in conjunction with the subject site at Clavering Road which was to be developed for affordable housing for Endeavour Housing, who agreed to pay £425,000 for the construction of 4 no. 3 bed houses and a 2 bed bungalow. The Clavering Road land is shown on the plan at **Appendix 1**.
- 2.2 An informal tender process resulted in 3 bids being received. An offer was accepted subject to planning permission and a planning application was made on the site. Subsequently, the application had to be withdrawn and a new one submitted for both sites due to difficulties in regard to the section 106 agreement. The new application was progressed and a section 106 agreement was agreed in principle but in September of this year the purchaser withdrew. Their reason for withdrawing was that they had reviewed their operations and market conditions for the type of property they had been proposing to build at Monmouth Grove, which were houses at the lower end of the market. They considered that market conditions for first time buyer and lower end properties had deteriorated substantially to the point where the development was not viable for them.
- 2.3 Consequently the sites were marketed and 2 tenders were received. The details of these were given in the report on the matter presented to Portfolio Holder on 15th December 2011 and a tenderer approved.
- 2.4 Portfolio Holder will recall that the successful tenderer for the Monmouth Grove site were not interested in building at the Clavering Road site as their costs of doing so would not be met by the contract price on offer from Endeavour Housing. The second tenderer was also not interested in carrying out the Endeavour development.

- 2.5 Although neither of the 2 recent tenderers for the land at Monmouth Grove are interested in developing the land at Clavering Road the land could potentially be marketed for sale as a development site as other developers are likely to be interested. The principle in planning terms of housing on the site has essentially been established, albeit on the basis of affordable housing. Alternatively, Endeavour Housing would still be interested in developing the site if it was gifted to them and they have confirmed recently that the site would be used exclusively for bungalows which are a priority with residents.
- 2.6 In conjunction with the Monmouth/Clavering scheme Endeavour submitted a bid to the Homes and Communities Agency (HCA) for Affordable Housing Programme (AHP) grant to help to deliver/fund the additional units of affordable housing created by the process. The Council and Endeavour have been informed that this bid has been successful.
- 2.7 A condition of this grant would be the expectation that the Council's contribution to delivery of affordable housing on land owned by the Council would be that the land is transferred to the registered provider at a nil cost/purchase price.

3. ASSET AND ESTATE MANAGEMENT AND OTHER CONSIDERATIONS

- 3.1 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
- 3.2 The Authority has a duty and a statutory requirement to discharge its housing responsibilities and one method which can aid this is to help registered providers to develop and deliver more affordable housing in the Borough. To achieve this the Authority is expected to consider using its land to assist development of new affordable housing and where the authority does this it is expected that this land is transferred to the registered provider at nil cost.
- 3.3 If this grant is not taken up for the Clavering site it potentially could be lost to Hartlepool, Endeavour could transfer the grant to another site where they are able to deliver affordable units and this could be anywhere in their operating area in the North East Region. Therefore the grant would be lost to the Borough and the opportunity to have five additional units in the Town would be lost which will attract both Council Tax income and double new homes bonus.
- 3.4 The Council will have 100% nomination rights to these properties and this will be in perpetuity. This area is a high demand area which with low turnover of social stock so any units achieved would be an asset to the town and the re housing options available for residents.

- 3.5 Extensive consultation and dialogue has been undertaken by Endeavour and the Council's planning, neighbourhoods and housing staff with local residents and local Members over a long period of time during the various options for delivery which have been in the pipeline. This consultation and dialogue has produced an expectation that affordable housing will be provided on the site and that residents have had their views heard in the process. Endeavour have confirmed that if successful in acquiring the land they will consult residents again in March and a planning application will be made by June. The intention now to build five bungalows should be well received.
- 3.6 The market value of the land is 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 (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information.**
- 3.7 Sale on the open market would produce a capital receipt in due course, probably in the 12/13 financial year which would help to support the Council's capital programme. Potentially other sites in the Council's ownership could be offered to Endeavour and or other registered social landlords in order to achieve the provision of affordable housing in Hartlepool.

4. RISK AND FINANCIAL IMPLICATIONS

- 4.1 Failure to take up the grant in Hartlepool could have a negative impact on the Authority's ability to attract future grant funding from the HCA particularly if the financial deliverability is impacted on by not including the land at nil value.
- 4.2 The land is located in a popular residential area with significant value and very marketable. The potential of a substantial Capital receipt will contribute to achieving the Council's Capital receipt target to meet budget shortfalls in the MTFS.

5. OPTIONS

1. The land could be transferred to Endeavour at nil costs for the sole provision of affordable housing units as stated in the jointly agreed planning application. Fees for legal and Surveyors would be the responsibility of Endeavour and the terms of the agreement would clearly set out the need for the land to be returned to the council should this development not be commenced within two years of the date of transfer and that the land can not be used for any other purpose by Endeavour.

2. One option would be to sell this land to Endeavour however this would not be possible under the current grant conditions. Endeavour would not be in a position to purchase the land for this scheme either, due to financial viability.
3. Retain the land as at present.
4. Market and sell the land for private residential development.

6. RECOMMENDATIONS

- 6.1 Portfolio Holder's views are sought.

7. BACKGROUND PAPERS

- 7.1 There are no background papers to this report.

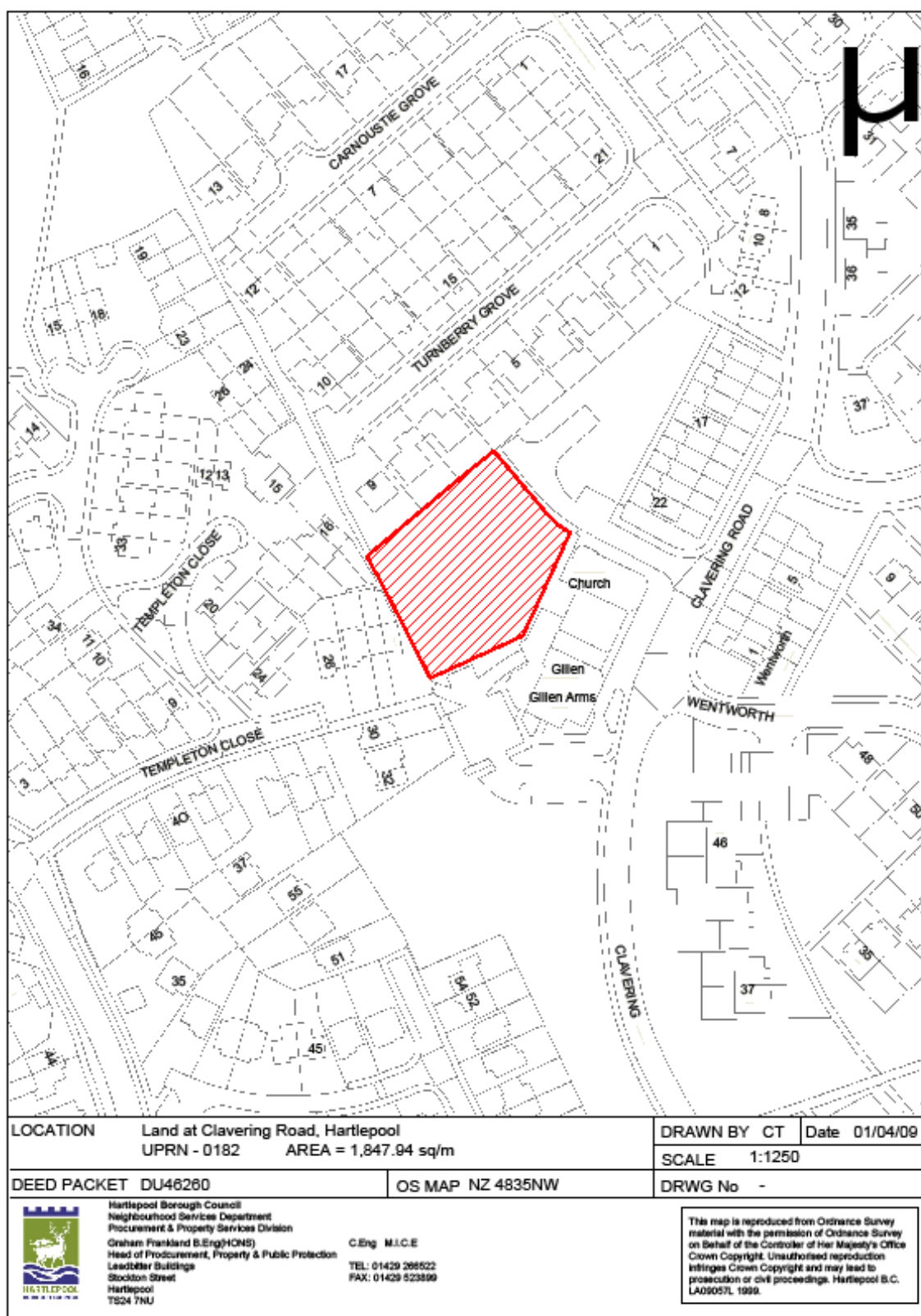
8. CONTACT OFFICERS

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APPENDIX 1



<p>FINANCE AND PROCUREMENT PORTFOLIO Report To Portfolio Holder 26th January 2012</p>



Report of: Assistant Director (Resources)

Subject: BELLE VUE WAY/ LADYSMITH STREET
RELEASE OF RESTRICTIVE COVENANT

SUMMARY

1. PURPOSE OF REPORT

To seek Portfolio Holder approval to the terms agreed for the partial release of a restrictive covenant.

2. SUMMARY OF CONTENTS

The report sets out the background to the application for the release of the Covenant and the financial arrangements proposed.

3. RELEVANCE TO PORTFOLIO MEMBER

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

5. TYPE OF DECISION

Non Key

5. DECISION MAKING ROUTE

Portfolio Holder only

6. DECISION(S) REQUIRED

The Portfolio Holder approves the terms of the release as set out in Section 4 of the report.

Report of: Assistant Director (Resources)

Subject: BELLE VUE WAY/ LADYSMITH STREET
RELEASE OF RESTRICTIVE COVENANT

1. PURPOSE OF REPORT

- 1.1 To seek Portfolio Holder approval to the terms agreed for the partial release of a restrictive covenant.

2. BACKGROUND

- 2.1 Portfolio Holder will recollect from the meeting of the 14th August 2009 that consent was given for disposal of the freehold of the former Whitegates Garden Centre (as shown hatched on the attached plan at **Appendix 1**) to the current owner of the long leasehold interest in the property.
- 2.2 The sale of the freehold is now legally complete
- 2.3 The terms of the disposal incorporate a restriction on the planning use to which the land can be utilised, namely B1, B2 and B8 of the planning Use Classes Order which refers to office and storage/distribution use.
- 2.4 The Owner has previously contacted the Council to vary the covenant to allow a gymnasium on the site (shown hatched on Appendix 3). This was agreed subject to a covenant release payment and was then agreed by Portfolio Holder at the meeting held on 25th August 2011.

3. PROPOSALS

- 3.1 A further approach has been made for another covenant release on part of the site shown cross hatched at **Appendix 1**, for a Garden Centre.
- 3.2 Planning consent has been granted for this use with access from Ladysmith Street to the east of the site.
- 3.3 Discussions have taken place with the land owner and terms agreed for the release of the covenant

4. FINANCIAL CONSIDERATIONS

- 4.1 The financial considerations can be found attached at **Confidential Appendix 2. This item contains exempt information under Schedule 12A of the 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. 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 The Portfolio Holder approves the terms of the release as set out in Section 4 of the report.

7. REASONS FOR RECOMMENDATIONS

- 7.1 This release may help facilitate further development at the site which in turn will improve the area and also lead potentially to other release of covenant capital receipts for the Council.
- 7.2 The consideration is considered to reflect fully the market value of the release of covenant.

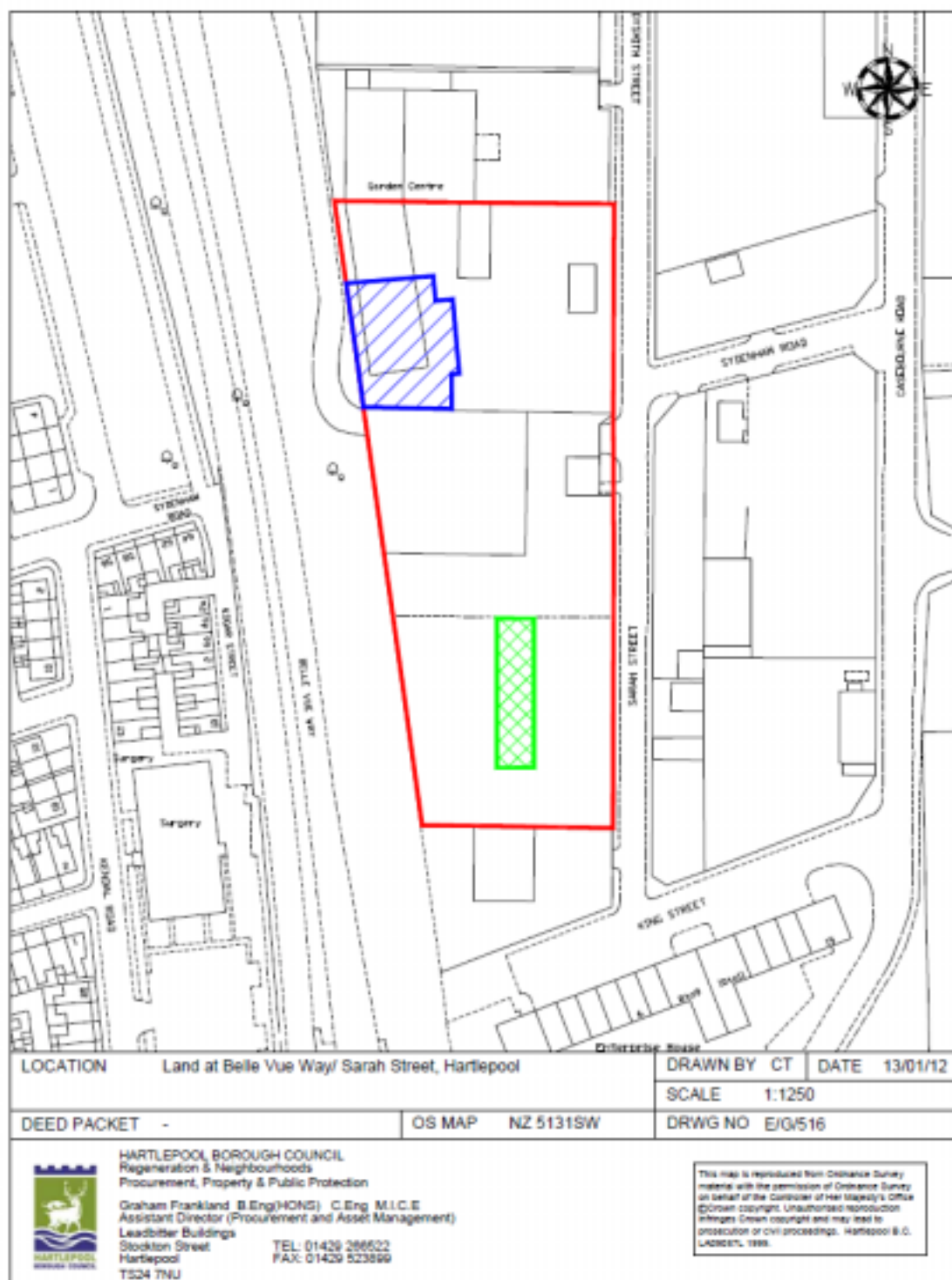
8. BACKGROUND PAPERS

There are no background papers to this report.

9. CONTACT OFFICER

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APPENDIX 1



<p>FINANCE AND PROCUREMENT PORTFOLIO Report To Portfolio Holder 26th January 2012</p>
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Report of: Assistant Director (Resources)

Subject: LAND AT EASINGTON ROAD AND
SOMERSBY CLOSE

SUMMARY

1. PURPOSE OF REPORT

To seek approval to undertake a land swap with Vela Group in connection with sites at Easington Road and Somersby Close.

2. SUMMARY OF CONTENTS

Background to the case and current proposals

3. RELEVANCE TO PORTFOLIO MEMBER

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

4. TYPE OF DECISION

Non-Key Decision

5. DECISION MAKING ROUTE

Portfolio Holder Only

6. DECISION(S) REQUIRED

Portfolio Holder is recommended to agree to the land swaps detailed in Section 2 taking place at nil consideration.

Report of: Assistant Director (Resources)

Subject: LAND AT EASINGTON ROAD

1. PURPOSE OF REPORT

- 1.1 To seek approval to undertake a land swap with Vela Group in connection with sites at Easington Road and Somersby Close.

2. BACKGROUND

- 2.1 Portfolio Holder approved the transfer of two areas of land in Easington Road in 2010 to Vela Group to facilitate a social housing regeneration scheme
- 2.2 A further approach has been received for an additional 38.33 sq metres of land (As shown hatched **Appendix 1**) to incorporate within the garden of one of the newly developed houses
- 2.3 In a separate transaction it has been identified during the marketing of the Council owned Somersby Close Family Resource Centre that the parking area to the rear of the property belongs to Vela Group. To facilitate the sale of this land which extends to 116 sq metres (As shown shaded black in **Appendix 2**) needs to be incorporated within the boundary of the property.
- 2.4 It has been agreed with Vela that they would be willing to undertake a land swap which would enable both parties objectives to be achieved.

3. FINANCIAL CONSIDERATIONS

- 3.1 This will be a direct land swap so there will be financial consideration, the Estates Manager is of the opinion that both areas of land are of similar value and will facilitate the achievement of a capital receipt at Somersby Close.

4. ASSET MANAGEMENT CONSIDERATIONS

- 4.1 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.

- 4.2 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.

5. RECOMMENDATIONS

- 5.1 Portfolio Holder is recommended to agree to the land swaps detailed in Section 2 taking place at nil consideration.

6. BACKGROUND PAPERS

There are no background papers to this report.

7. CONTACT OFFICER

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2.2 APPENDIX 1



2.2 APPENDIX 2



FINANCE AND PROCUREMENT PORTFOLIO

Report To Portfolio Holder

26th January 2012



Report of: Assistant Director (Resources)

Subject: WHARTON TRUST LEASE

SUMMARY

1. PURPOSE OF REPORT

To update Portfolio Holder on the current situation and seek approval of new lease terms.

2. SUMMARY OF CONTENTS

Report on the background of the case and current recommendations.

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

Approval of the proposed lease terms is recommended.

Report of: Assistant Director (Resources)

Subject: WHARTON TRUST LEASE

1. PURPOSE OF REPORT

- 1.1 To update Portfolio Holder on the current situation and seek approval of new lease terms.

2. BACKGROUND

- 2.1 The Wharton Trust currently occupies the Dyke House Community and Resource Centre in Wharton Terrace. The Trust is holding over under the terms of a 10 year lease from 2001. A section 25 notice having been served in 2010, new lease terms have recently been provisionally agreed with the Trust.
- 2.2 The proposed new terms are set out in **Confidential Appendix 1**. These terms are broadly in line with the basis on which Jutland Road and West View Community Centres have recently been let under the Community Asset transfer arrangements. **Confidential Appendix 1** also outlines the current lease terms. **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 terms agreed reflect the work that the Trust does in the community and the community asset transfers referred to above, as these are considered analogous situations.

3. ASSET MANAGEMENT CONSIDERATIONS

- 3.1 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.

4. RISK AND FINANCIAL IMPLICATIONS

- 4.1 The terms agreed are on a different basis to the current lease as responsibility for matters such as repair, maintenance and utility costs will fall on the tenant rather than the Council as landlord as at present. The net cost or revenue to the Council is not likely to change in the short term but in the longer term costs will be avoided.
- 4.2 Any savings will contribute to the Business Transformation Asset management workstream target for savings.

5. RECOMMENDATIONS

- 5.1 Approval of the proposed lease terms is recommended.

6. REASONS FOR RECOMMENDATIONS

- 6.1 Community asset transfers of 2 other community centres have recently been completed on similar terms and it therefore appears equitable to offer these terms, particularly as the Wharton Trust is a well established organisation which has a track record of delivering community services successfully in the area for a number of years.
- 6.2 The terms provide for longer term financial benefits for the Council.

7. BACKGROUND PAPERS

There are no background papers to this report.

8. CONTACT OFFICERS

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