

FINANCE AND PROCUREMENT PORTFOLIO DECISION RECORD

26 January 2012

The meeting commenced at 10.00 am in the Civic Centre, Hartlepool

Present:

Councillor: Robbie Payne (Finance and Procurement Portfolio Holder)

Officers: Graham Frankland, Assistant Director (Resources)
Dale Clark, Estate and Asset Manager
Philip Timmins, Principal Estates Surveyor
Nigel Johnson, Housing Services Manager
Kate Watchorn, Commercial Solicitor
Angela Armstrong, Principal Democratic Services Officer

45. Throston Grange Community Centre *(Assistant Director, Resources)*

Type of decision

Key Decision – Test (i) and (ii) applies

Purpose of report

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

Issue(s) for consideration by Portfolio Holder

The report set out the background to the proposal and details of the tenders that had been received and were attached by way of confidential appendix **(this item contained 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)).** It was highlighted that an alternative proposal to the tender requested had been received. The Commercial Solicitor commented that the local authority had to achieve best consideration from the proposals and outlined the possible implications of accepting the alternative proposal. The Assistant Director,

Resources commented that the alternative proposal provided good value and included the option for bidder 1 to lease the property prior to purchasing it when the funds became available.

The Portfolio Holder questioned why a guide price had not been included within the tender documentation. The Estates and Asset Manager responded that in general, guide prices were not included within tender documentation but this was an option that could be considered in the future. It was noted that it was difficult to estimate a guide price for this particular building as the potential uses were limited.

The Assistant Director, Resources informed the Portfolio Holder that bidder 1 had clarified that they would be willing to lease the building for approximately £1k per annum for up to 12 months with the option to purchase the community centre once the funds had been released through the sale of the bidder's current property.

During the discussions it was noted that a similar situation had arisen previously with an unused local authority building and that had worked well.

The Portfolio Holder highlighted that the disposal of this Council asset was in line with the budgetary requirements as discussed by Cabinet.

Decision

That Throston Grange Community Centre be leased to bidder 1 for up to 12 months at £1k per annum until such time that the bidder was in a position to purchase the Community Centre at the purchase price indicated within the confidential appendix.

46. Land at Clavering Road (*Assistant Director, Resources*)

Type of decision

Key Decision – Test (i) and (ii) applies

Purpose of report

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

Issue(s) for consideration by Portfolio Holder

The report set out the background to the case and the current recommendations. The Housing Services Manager provided the Portfolio Holder with an update on recent discussions with Endeavour Housing which

confirmed the intention to build five bungalows on the site. It was noted that the Homes and Communities Agency (HCA) had stipulated that a condition of the grant funding this proposal was that the development would be delivered by 2014. However, it was hoped that the development as proposed would be delivered by the end of 2013.

The Portfolio Holder sought clarification on whether any alternative sites had been looked at in relation to the HCA grant. The Housing Services Manager confirmed that the Clavering area had a shortage of bungalows and this was the best option in view of the level of grant available. In response to a question from the Portfolio Holder, the Housing Services Manager indicated that the developer was looking at the potential for additional employment and training opportunities within the scheme for local people. The Portfolio Holder requested that a condition of gifting the land to Endeavour Housing should provide the local authority with the opportunity to tender for any appropriate works on the site.

The Portfolio Holder indicated he was very conscious at the lack of bungalows in Hartlepool and considered that this was a fantastic opportunity, especially in view of the Government's forthcoming Bill to monitor the under-occupancy of homes. In response to a question from the Portfolio Holder, the Housing Services Manager confirmed that he would make enquiries about the level of disability adaptation that would be undertaken to the bungalows within the scheme.

The Portfolio Holder highlighted that the disposal of this Council asset was in line with the budgetary requirements as discussed by Cabinet.

Decision

- (i) The land to be transferred to Endeavour Housing at nil costs for the sole provision of affordable housing units as stated in the jointly agreed planning application.
- (ii) Fees for legal and surveyors to be the responsibility of Endeavour Housing.
- (iii) 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.
- (iv) The land cannot be used for any other purposes by Endeavour Housing.

47. Disposal of 156 Grange Road, Brooklyn Day Centre (Assistant Director, Resources)

Type of decision

Key Decision – Test (i) and (ii) applies.

Purpose of report

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

Issue(s) for consideration by Portfolio Holder

The report contained background to the proposal and the recommendations for action. The tenders received for the property were attached by way of confidential appendix **(this item contained 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.**

The Portfolio Holder was informed that the potential to use this building operationally was currently being explored by the local authority. However, it was noted that the highest bid received for the property was similar to the cost of the sale of a similar property in the same road. In response to a question from the Portfolio Holder, the Estates and Asset Manager confirmed that the highest bid received was a reasonable price for the building in the current market.

The Portfolio Holder highlighted that the disposal of this Council asset was in line with the budgetary requirements as discussed by Cabinet.

Decision

Subject to no operational use for the property being identified by the local authority, the disposal of the Brooklyn Day Centre, 156 Grange Road was approved as per the terms discussed in the confidential appendix as noted above.

48. Disposal of the Former Somersby Close Family Resource Centre *(Author)*

Type of decision

Key Decision – Test (i) and (ii) applies.

Purpose of report

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

Issue(s) for consideration by Portfolio Holder

The report contained the background to the proposal and the recommendations for action in relation to Somersby Close Family Resource Centre. Two tenders had been received and they were set out in a confidential appendix **(this item contained 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.** The Estates and Asset Manager confirmed that the highest offer received represented market value for the subject property.

The Portfolio Holder highlighted that the disposal of this Council asset was in line with the budgetary requirements as discussed by Cabinet.

Decision

That the disposal of Somersby Close Family Resource Centre was approved as per the terms discussed in the confidential appendix as noted above.

49. Disposal of 85 Station Lane *(Assistant Director, Resources)*

Type of decision

Key Decision – Test (i) and (ii) applies.

Purpose of report

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

Issue(s) for consideration by Portfolio Holder

The report contained the background to the proposal and the recommendations for action in relation to 85 Station Lane. Four tenders had been received and these were set out in confidential appendix **(this item contained 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.** The Estates and Asset Manager confirmed that the highest offer received represented market value for the subject property.

The Portfolio Holder highlighted that the disposal of this Council asset was in line with the budgetary requirements as discussed by Cabinet.

Decision

That the disposal of 85 Station Lane was approved subject to the terms included within the confidential appendix as noted above.

50. Belle Vue Way/Ladysmith Street – Release of Restrictive Covenant *(Assistant Director, Resources)*

Type of decision

Non key.

Purpose of report

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

Issue(s) for consideration by Portfolio Holder

The report set out the background to the application for the release of the Covenant and the financial arrangements proposed after discussions with the land owner. The financial implications of the proposal were included within a confidential appendix **(this item contained 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.**

The Portfolio Holder confirmed that the proposal was in accordance with the decision of Cabinet in January 2009 which required a commercial, proactive approach to be taken on Asset Management Issues. The Portfolio Holder requested that cost of the release of the covenant be paid in one instalment as opposed to monthly instalments.

Decision

The terms of the release of the covenant be approved as set out in section 4 of the report.

51. Land at Easington Road and Somersby Close *(Assistant Director, Resources)*

Type of decision

Non key.

Purpose of report

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

Issue(s) for consideration by Portfolio Holder

The report included the background to the case and current proposals. The report identified that this proposal was a direct land swap and as both areas of land were of similar value would facilitate the achievement of a capital receipt at Somersby Close.

Decision

The land swaps as detailed in Section 2 of the report were approved at nil consideration.

52. Wharton Trust Lease *(Assistant Director, Resources)*

Type of decision

Non key.

Purpose of report

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

Issue(s) for consideration by Portfolio Holder

The report included the background to the case and current recommendations. The proposed new terms were set out in a confidential appendix **this item contained 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. It was noted that the terms were broadly in line with the basis on which Jutland Road and West View Community Centres had recently been let under the Community Asset transfer arrangements.

The Portfolio Holder asked that the local authority be given the opportunity to tender for any appropriate works to be undertaken on the site. In response to a question from the Portfolio Holder, the Estates and Asset Manager confirmed that the proposal did represent value for money.

Decision

The proposed lease terms for Wharton Trust were approved.

The meeting concluded at 10.48 am

P J DEVLIN

CHIEF SOLICITOR

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