

# **FINANCE AND PROCUREMENT PORTFOLIO DECISION SCHEDULE**



**Friday 24 February 2012**

**at 10.00 a.m.**

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

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

**1. KEY DECISIONS**

- 1.1 Disposal of Eamont Gardens Garage Site – Assistant Director,  
Resources

**2. OTHER ITEMS REQUIRING DECISION**

No items.

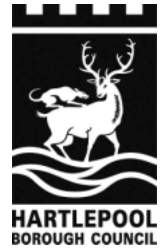
**3. ITEMS FOR INFORMATION**

No items.

**4. REPORTS FROM OVERVIEW OF SCRUTINY FORUMS**

No items

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| <p><b>FINANCE AND PROCUREMENT PORTFOLIO</b><br/>Report to Portfolio Holder<br/>24<sup>th</sup> February 2012</p> |
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**Report of:** Assistant Director (Resources)

**Subject:** DISPOSAL OF EAMONT GARDENS GARAGE SITE

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## SUMMARY

### 1. PURPOSE OF REPORT

To seek approval from the Portfolio Holder to proceed with the disposal of Eamont Gardens garage site.

### 2. SUMMARY OF CONTENTS

The report contains some history of the problems experienced with the site with a background to the proposal and the Estates Section's recommendations.

### 3. RELEVANCE TO PORTFOLIO MEMBER

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

### 4. TYPE OF DECISION

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

### 5. DECISION MAKING ROUTE

Portfolio Holder only

## 6. DECISION(S) REQUIRED

Portfolio Holder to grant approval for the disposal of Eamont Garden Garage Site as per the terms discussed in **Confidential Appendix 4**. **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 EAMONT GARDENS GARAGE SITE

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## **1. PURPOSE OF REPORT**

- 1.1 To seek approval from the Portfolio Holder to proceed with the disposal of Eamont Gardens garage site.

## **2. BACKGROUND**

- 2.1 Portfolio Holder will recollect from the meeting of 6<sup>th</sup> January 2011 that consent was given for the disposal of the freehold of the garage site at Eamont Gardens; following this approval the Estates Section proceeded to market the site by informal tender and carried out consultation with the garage tenants and local Councillors.
- 2.2 The decision to consider disposal came as a result of an approach from a Ward Councillor on behalf of St. Matthew's Community Centre who had highlighted problems with security associated with the adjacent garage site. In addition, Housing Hartlepool, who manage the garages on behalf of the Council had raised concerns about the condition of the garages.
- 2.3 As a result of this the Portfolio Holder considered a number of options for the site including repairing the garages, demolition of the garages and the potential for the sale of the site.
- 2.4 **Appendix 1** contains the initial report to the Portfolio Holder in August 2010 which initiated the actions in respect of the site. Options for the site and consultation feedback including that from the garage tenants were considered at a number of subsequent Portfolio meetings.
- 2.5 As a result of the initial marketing only one tender was received for the subject property and it was felt that the figure did not represent market value for the property and the interested party was approached to submit their best and final offer which again was too low.
- 2.6 Subsequent to the closing date of the tender another party made an offer for the subject property which the Portfolio Holder will recollect was taken to the Finance and Procurement Portfolio on 17<sup>th</sup> November 2011.
- 2.7 After representations from the Contract Scrutiny Committee it was decided that the property should be retendered, this process was carried out and the closing date for this tender was 9<sup>th</sup> December, 2011.

- 2.8 In addition further consultation with the St. Matthew's Community Centre and residents was requested.

### 3. CONSIDERATIONS

- 3.1 Initial Consultations and letters received from the Chair of the Community Centre Management Committee revealed the following concerns:-

- Security (particularly to the rear of the flat roofed garages)
- Loss of parking
- Future vehicular access on to Elwick Road from the site
- Conflict between a future residential development and activities of the Centre
- The potential blocking of light to the Centre from a developed site.

- 3.2 The security issues have been considered in the options appraisal to date and issues relating to any future development of the site will be addressed as part of a planning application in the usual way. The Centre and nearby residents will be able to raise their concerns during this process.

- 3.3 The main concern appears to be around the freedom to use the site for parking and dropping off equipment and centre clients. The busy nature of the adjacent roads was highlighted.

- 3.4 This was not raised by the Centre in the original approach to the Council and, of course, whilst the Centre may have enjoyed informal access and parking, the garage site is not a car park. An option suggested by the Centre is that the site could become a car park.

- 3.5 **Appendix 2** contains details of correspondence from the Chair of the Centre which summarises the Centre's viewpoint. The Portfolio Holder has also received correspondence direct and has viewed other correspondence.

- 3.6 As a result of further consultation **Appendix 3** contains a more recent document prepared by the Members of St. Matthew's Community Centre and Bum Valley North Residents Association. The document includes a proposal for the site to become a public car park, with pay meters. The proposal is based on the possible benefits to the Centre, the local community and its shops as well as the Council.

3.7 The proposal has been investigated by the Council's Car Parking Manager with the following feedback –

- The site and its location is too small to merit a commercial operation.
- There would be a limited need for the car park based on drop offs and pick ups.
- The cost of provision and operation of a car park in terms of surfacing, marking, signage, machinery, lighting could be in the region of £25,000 and this would be prohibitive in terms of any income received.

#### 4. TENDER RESULTS

4.1 One tender was received for the property and this is discussed in **Confidential Appendix 4. 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. PROPOSALS

5.1 The Portfolio Holder is requested to consider the representation of the St. Matthew's Community Centre and Burn Valley North Residents against the previous decision and reasons to dispose of the site.

5.2 Although there are merits in the proposals to construct and operate a car park the comments from the Car Parking Manager highlight a number of operational and financial risks for the Council.

5.3 The rationale for disposal and development of the site still remains i.e, the condition of the garages, the security of the site, the consultation with garage tenants and the need to maximise returns from the Council's assets.

5.4 If the site was to be sold then there will be an opportunity for all interested parties to make comment as part of a planning application. It may be possible to make arrangements with the purchaser to provide facilities for parking for a period of time prior to development.

5.5 It is therefore suggested to proceed with the sale of the property on the terms outlined in **Confidential Appendix 4. 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. ASSET MANAGEMENT CONSIDERATIONS AND FINANCIAL AND RISK IMPLICATIONS**

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 that it disposes of. The land sale will bring a valuable capital receipt that would contribute to the Council's budget shortfall identified in the medium term Financial Strategy.

**7. RECOMMENDATIONS**

7.1 Portfolio Holder to grant approval for the disposal of Eamont Garden Garage Site as per the terms discussed in confidential **Appendix 4**. **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.**

**8. REASONS FOR RECOMMENDATIONS**

8.1 The Estates Manger confirms the sale price represents Market Value for the subject property.

8.2 The Council is required to achieve significant capital receipts to address budget shortfalls in the medium term financial strategy.

**9. BACKGROUND PAPERS**

There are no background papers to this report.

**10. CONTACT OFFICER**

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

Finance and Procurement – 12<sup>th</sup> August 2010

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**APPENDIX 1****Report of:** Assistant Director - Resources**Subject:** EAMONT GARDENS GARAGES SITE

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**1. PURPOSE OF REPORT**

- 1.1 To seek approval to undertake a full options appraisal to identify the most appropriate ongoing use for the site.

**2. BACKGROUND**

- 2.1 Eamont Gardens Garages, shown hatched on the plan at Appendix 1, comprises 14 lock up garages and associated parking on a site extending to approximately 0.19 acres. It is situated in a mainly residential area fronting Elwick Rd. The garages are let to local residents and the property is managed by Housing Hartlepool on behalf of the Council. 13 of the garages are currently occupied and one is void.
- 2.2 The gross income from the site in 2008/09 (the most recent year for which complete figures are available) was £3028.48. Maintenance and management costs were £1939, leaving net income of £1089.48. Current tenancy agreements are on weekly terms.
- 2.3 The garage site has attracted anti-social behaviour and a number of complaints have been received. An example of the problems include vandalism at St Matthews Church Hall, raised by a Ward Councillor.
- 2.4 A recent survey of the garages has confirmed that they are at the end of their useful life with widespread repairs required to all elements of the fabric to such an extent that demolition was recommended.
- 2.5 Indicative costs of addressing the problems include:-
  - Repair £38k
  - Demolish and replace £48k (modular construction fabricated off site)
- 2.6 Whilst the availability of the garages does provide a useful and popular facility, the return on the capital value of the site is limited. The value of the site with planning permission for residential development is considered to be in the region of £60,000.
- 2.7 Residents could be offered garages at alternative locations, however there are no other local sites.



Finance and Procurement – 12<sup>th</sup> August 2010

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**APPENDIX 1****3. PROPOSALS**

- 3.1 It is proposed to undertake an options appraisal/consultation exercise to consider a range of options for the site including:- investment to improve the existing garages, demolition and reconstruction of new garages or disposal for redevelopment.

**4. RISK AND FINANCIAL CONSIDERATIONS**

- 4.1 The options appraisal will address the costs and risks associated with all options including:
- Repair / replacement options
  - Resident requirements
  - Health and safety Issues
  - Requirements to address community safety issues
  - Demolition and disposal

**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 assess and rationalise current assets and realise the full value of any properties or property rights that it disposes of.

**6. RECOMMENDATIONS**

- 6.1 Portfolio Holder approves the carrying out of a full options appraisal in consultation with relevant stakeholders and a final report is presented to the September Portfolio meeting.

**7. REASONS FOR RECOMMENDATIONS**

- 7.1 The site has the potential for a range of uses and it is important that a thorough appraisal is undertaken to address current issues and develop a longer term plan for the site.

Finance and Procurement – 12<sup>th</sup> August 2010

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**APPENDIX 1**

**8. CONTACT OFFICER**

8.1 Philip G Timmins BA Hons MRICS  
Regeneration and Neighbourhoods (Resources)  
Estates Section

Telephone No 01429 523434  
[philip.timmins@hartlepool.gov.uk](mailto:philip.timmins@hartlepool.gov.uk)

## APPENDIX 2

St Matthew's Community Centre  
Elwick Road & Arncliffe Gardens

Correspondence to: 62, Clifton Avenue,  
Hartlepool,  
TS26 9QW.  
9<sup>th</sup> December, 2011

Re Eamont Gardens Garage Site Proposed Sale - Portfolio 17<sup>th</sup> November.

Dear Mr Frankland,

Thank you for your letter of 2<sup>nd</sup> December, 2011 in response to mine dated 7<sup>th</sup> November, 2011, regarding the above subject.

I am pleased that our concerns were raised at the meeting on 17<sup>th</sup> November, resulting in a delay in the intent to sell this piece of council land. The Management Committee welcomes the offer of consultation and trust that it will also include local residents.

I note that the emphasis of your reply is on the security issues that have long been associated with the garages. This is a serious matter, which we have raised on many occasions in the past with the Council. The derelict state of the buildings, as well as their provision of access to our property for vandals, does not seem to have been a priority in the past. Now, it seems, the monetary value of the land has brought this issue into focus! However, the fact that the Community Centre has had the use of the area for parking over at least thirty years and its importance to the functioning of the Centre is seemingly of little relevance in the face of Council savings requirements.

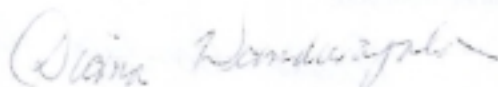
The local Council exists to both serve the people of its constituency, as well as manage its assets. The national government, both past Labour and current Conservative / Liberal Coalition, have recognised the importance of strengthening local communities at grass root level. St Matthew's plays an important part in its local community, providing facilities for a wide range of people in the area and working closely with the police to promote a safe environment for residents.

Having the use of a parking area adjacent to the Centre is a significant part of its ability to function effectively, especially in view of St Matthew's location at a busy crossroad. Elderly residents, as well as many children, use our facilities.

A monetary value may not be easily calculated for the benefits to a neighbourhood of this community facility but I suggest it is not insignificant to the concept of 'regeneration and neighbourhood' for which your department is ostensibly responsible.

We therefore look forward to the opportunity to be consulted on the proposals for this site.

Yours sincerely,



Mrs Diana Wanduragala  
Chair of St Matthew's Community Centre Management Committee.

St Matthew's Community Centre  
Elwick Road & Arncliffe Gardens

Correspondence to: 62, Clifton Avenue,  
Hartlepool,  
TS26 9QW.  
29<sup>th</sup> December, 2011

Re Eamont Gardens Garage Site Proposed Sale - Portfolio 17<sup>th</sup> November.

Dear Mr Cuthbert,

Following our telephone conversation on, I think, 14<sup>th</sup> December, regarding the above site, I rang your office with dates for a meeting with ourselves and other interested parties. These are January 3<sup>rd</sup> or 4<sup>th</sup>, after 11am or January 5<sup>th</sup> after 12 noon.

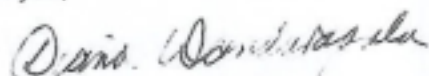
Our concerns include:

- No initiative was taken to consult the management committee of St Matthew's Community Centre.
- Security issues - fencing and lighting were put in place after complaints re vandalism but not to the rear of the flat roofed garages.
- The Centre has benefited from the freedom to park in this area for the elderly attending the Centre, group leaders bringing in equipment for activities, drop-off for children and service engineers etc. Our location on a busy junction prevents the use of our own frontage for essential parking i.e. about six spaces.
- Perhaps new garages, with sloping rooves and adequate back fencing and lighting, plus a small parking area, providing rental income to the Council could be a possibility?
- Would any proposed new dwellings have vehicular access directly on to Elwick Road? If so, this would be very hazardous to children and elderly persons using the Centre.
- Close proximity of residential development needs to consider whether noise and busyness from drop-off / collection of children and activities conducted in the hall would cause friction.
- Also assurances are needed with regard to light as the small hall of the Centre gains all its light down the side adjacent to the land in question.
- Our understanding is that other residents most affected have not been adequately consulted.

In conclusion, it seems short-sighted and not in keeping with past and present government policy towards community development, not to have consulted with a community provision next-door to the site in question.

I look forward to hearing from you,

Yours sincerely,



Mrs Diana Wanduragala  
Chair, St Matthew's Management Committee



## APPENDIX 3

### Sale of Eamont Gardens Garages

A document prepared by members of St. Matthew's Community Centre and Burn Valley North Resident's Association.

With reference to the recommendations of the Planning Briefing Document prepared by HBC the preferred option for this site is that it should be sold and redeveloped to provide a high quality housing development. The plan is for 2 houses, each with 2 parking spaces. Whilst we are pleased to have this opportunity now to present our views on this proposal, we were surprised and disappointed not to have the chance to discuss alternative options for the site before this decision was made. There is no doubt that the garages need to be demolished, they are unsightly, in disrepair and present potential problems both in terms of safety and security as well as antisocial behaviour.

Our concerns regarding the present proposal fall into 3 main areas, the location of the site itself, the potential impact on St. Matthew's Community Centre (SMCC), and the absence of a positive contribution to the local community. Finally, we would like to present an alternative, revenue generating proposal for your consideration.

#### The Eamont Gardens Site

The site is adjacent to SMCC and a halfway hostel for mental health patients and will abut onto Elwick Road with vehicular access directly from the main road. This raises a number of issues;

- Although a 2007 survey identified the Burn Valley as having the greatest need for affordable housing in the Borough, the area already has a significant number of empty houses, as witnessed by Baden St. We believe the strategy adopted here (in which local residents were actively involved) is the most effective way to increase affordable housing in the area, as well as enhancing pride in the local neighbourhood. There is no desire for new build.
- Vehicular access is recommended directly from Elwick Road, primarily because of safety issues and emergency vehicle access. This road is already extremely busy and frequently congested. Direct access to the site will exacerbate this situation, particularly at "school run" times. It seems due consideration has been given to potential residents, but not to users of SMCC or existing residents many of whom are young or elderly.
- Equally well, following the restructuring of the bus services in Hartlepool we successfully campaigned for a bus stop on this block. Presumably we would lose this stop as it could obstruct emergency vehicles entering the site.

- The brief states the new development should not have any negative impact on neighbourhood surroundings, at a maximum height of 2.5 storeys the new buildings will affect light entering both adjacent buildings.
- Construction of 2.5 storey buildings will also reduce privacy for the communal garden of the hostel as well as the small garden at the rear of SMCC.

#### **St. Matthew's Community Centre**

SMCC has been a well known landmark in the Burn Valley area for decades and is now the only centre in the ward which can offer a wide range of facilities to cater for all age groups. Following a number of successful grant applications the building has been completely refurbished in the last 3 years, and although owned by The Church of England, the centre operates completely independently and must generate its own income to cover expenditure. The centre has never received funding from HBC and is run and administered by a group of volunteers.

The centre is used by over 300 people in an average week (this represents over 10% of households in the ward), with different activities and meetings taking place every day including Sundays. In weeks in which other special events take place this number can rise to well over 400. Indeed for our recent Christmas events we estimate around 800 people visited and participated during the 2 days of celebration. Access to these events for all age groups is vital in generating income and allowing the centre to continue to meet the needs of local residents. A number of issues should be considered;

- Some groups using the building have special needs, for example the parent and toddler group where children are too small or inclement weather makes it impossible for them to walk to their group need transport, parking and drop off facilities. This is also true for groups such as Mother's Union with many frail and infirm elderly members. Hartlepool Special Needs Group also use the venue and obviously parking and access is paramount for this group. The proposed redevelopment of the site would remove this facility and compromise income flow for SMCC.
- Independent traders using the centre for activities such as table top sales, the organisers of coffee mornings and children's parties as well as other community events, including some organised and sponsored by HBC (through the Community Development Team) also require access and parking facilities to load and unload their goods. These events provide regular income for SMCC as well helping to generate the community spirit so espoused by the last as well as the present government. Some of these core activities could be compromised if access to the centre was restricted.
- We hope that whatever development takes place on the site the role of SMCC within the



Burn Valley area will continue and even grow. People will then park on the surrounding roads thereby increasing congestion and illegal parking in an already difficult area and also threaten the safety of pedestrians in the area.

- It is difficult to estimate “loss of business” as a result of the proposed development of the garage site, but we are already aware of some possible missed opportunities with groups such as The Foster Carers Association and The Star Centre Youth Club who would not use the centre if there was no vehicle access or parking
- If this site is developed as proposed in the brief we believe no matter what the intentions and attitudes of prospective residents, they will discover that living next to a busy community centre will not afford peace and tranquility and that there will be continual complaints concerning noise levels in particular, as a result of the normal activities which take place in such a centre.

#### **Impact on the Local Burn Valley Community**

- If no action is taken the site will deteriorate quickly with the recognised accompanying problems. Consequently we are in agreement the garages should be demolished thereby preventing another “eyesore on the horizon”, This will benefit the local community.
- However, the building of 2 houses on the site will do little to tip the balance in favour of more affordable housing in the ward when Baden St., almost directly opposite the development currently has 21 vacant properties. There will be no perceived benefit of such a scheme to local residents, especially those currently grappling with problems and solutions for Baden St.
- Direct access to the proposed properties from Elwick Road will inevitably increase congestion on an already very busy road and will raise concerns by both motorists and pedestrians traversing the immediate location. This will not benefit local residents.
- Increased parking in areas adjacent to the site by those using SMCC will certainly not benefit local residents who will not be able to park their own cars close to their own homes. This is already a problem in many, if not all of the streets adjoining Elwick Road.
- The loss of a bus stop may seem an insignificant issue, but as was recently discovered in the Blakelock Road development, the relocation of a bus stop caused significant difficulties for older and infirm residents who simply could walk not an extra 200 yards to the new bus stop. We can expect a similar detrimental effect for bus users in the Elwick Road area.



In summary, our opinion is that the proposed development of the Eamont Gardens site will afford little benefit to the local community and in fact could create a number of problems and much discontent for local residents. We appreciate that it is the duty of all elected council members to manage the assets of the council in a prudent and financially sound manner, and that a "one off" monetary receipt for the sale of the site to the council experiencing very difficult imposed financial restrictions may appear very attractive. We also believe an integral part of your remit is to serve the people by whom you were elected and we acknowledge your commitment and the measures you have taken to create an opportunity to hear the views of the local community. Nevertheless, the redevelopment proposal for Eamont Gardens Garages satisfies the short term needs of the council, (indeed this is plainly stated in the briefing document) but in no way does it acknowledge the requirement to serve and satisfy the needs of the people by whom you and colleagues were elected. We would like to present an alternative proposal for your consideration, this proposal (the use of this area as car park for local residents and shoppers) takes a longer term view and would bring benefit to the local community and generate a modest revenue for the Council. We believe the project pay back period would be around 2 years, although at present we do not have sufficient data to make more accurate projections, Some figures are attached for your inspection

#### **Benefit to the Burn Valley Community**

- As stated previously, the lack of parking will seriously compromise the proposition we can offer to prospective users, Parking facilities will substantially increase our opportunities to attract more users.
- There will be no increase in congestion in an already busy area, especially at school run times.
- The increase in parking facilities would encourage more people to shop in the area thereby increasing the local economy.
- A large amount of money has been invested in both Baden St and SMCC over the past few years and the building of 2 houses will do nothing to improve the local environment.
- A very large amount of money has also been invested in Burn Valley Gardens but there is no parking available at the south end of the Gardens. A car park would increase access to the newly improved Gardens.

4



Garage site next to St Matthew's Community Centre – Elwick Road, Hartlepool

Figures given to us from James Cuthbert - HBC

Demolition of garages £11000.00 approx

Income from garages based of 14 garages at £4 per week £2912 per annum.

The site could accommodate 20 car parking spaces.

The car park would not be full the whole of the time so the costings below have been worked out on 50% usage – i.e. 10 cars parking.

Parking charges to be implemented from 9am to 6pm 5 days per week and 52 weeks per year. We have calculated 3 different parking charges - 20p per hour; 30p per hour and 50p per hour.

20p per hour would equate to a yearly figure of £4680

This would mean that the cost of demolition could be recouped over 2½ years.

30p per hour would equate to a yearly figure of £7020

This would mean that the cost of demolition could be recouped over 1 year 8 months.

50p per hour would equate to a yearly figure of £11700

This would mean that the cost of demolition could be recouped over 1 year.

