

# **FINANCE AND CORPORATE SERVICES PORTFOLIO**

## **DECISION RECORD**

16 January 2013

The meeting commenced at 3.00 pm in the Civic Centre, Hartlepool

### **Present:**

Councillor: Paul Thompson (Finance and Corporate Services Portfolio Holder)

Officers: Graham Frankland, Assistant Director (Resources)  
John Mennear, Assistant Director (Community Services)  
Philip Timmins, Principal Estates Surveyor  
Rachael White, Democratic Services Officer

### **55. Land at Tanfield Road South – (Assistant Director - Resources)**

#### **Type of decision**

Key decision (test (i) applied). Forward Plan Reference No RN 13/09.

#### **Purpose of report**

To seek approval to complete the sale of the land on the basis of the revised tender.

#### **Issue(s) for consideration by Portfolio Holder**

Tenders were received for the land at Tanfield Road South in April 2012 and were reported to the Mayor's Portfolio on 21<sup>st</sup> May 2012 where it was resolved to accept the tender outlined in Confidential Appendix 1 (the appendix 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 information relating to the financial or business affairs of any particular person (including the authority holding that information) para 3).

The successful tenderer subsequently carried out site investigation works, conducted extensive consultation with the Council's estates and planning officers and submitted a planning application. The site investigation works

revealed that there was some contamination of the site due to past uses and buried waste. The cost of carrying out the necessary remediation is noted in Confidential Appendix 1.

The tenderer originally proposed to carry out a development of 47 houses including the affordable housing requirement. However, after discussions with the Council's planning officers the development was reduced to 45 plots and a considerable number of other alterations were made to the layout and other matters. The affordable housing element of the development was to be 5 units i.e. 11.11% of the number of plots. The revised tender was less than the original but was still a higher offer than the net amounts offered by other tenderers and reflected the market value of the site. The receipt would make a significant contribution to the Council's overall capital receipts target of £4.5m as highlighted in the Medium Term Financial Strategy.

Clarification was sought as to whether the costs of carrying out the remediation had been removed from the revised tender. The Assistant Director (Resources) advised that not all of the costs had been removed and that the successful tenderer was to bear some of the cost of the works. The Portfolio Holder stated that he had received a number of objections from the residents of Tanfield Road regarding the development of the site and clarified that the objections were a planning matter as the proposed plans met the Council's planning policies and conditions. The Assistant Director (Resources) confirmed that the concerns expressed by residents had been taken into account when examining the development, however Planning Committee would take a decision accordingly. It was confirmed that the sale was subject to planning permission.

### **Decision**

That the revised tender to complete the sale of the land at Tanfield Road South be approved.

## **56. Ward Jackson Park Lodge – (Assistant Director - Resources)**

### **Type of decision**

Key decision (test (i) applied). Forward Plan Reference No. RN 13/09.

### **Purpose of report**

To consider the options for the future use of Ward Jackson Park Lodge subsequent to Portfolio Holder's decision not to sell the lodge on the basis that the bids received were less than the Estate Manager's opinion of market value and that consequently there may be other options available to the Council.

### **Issue(s) for consideration by Portfolio Holder**

Ward Jackson Park Lodge was surplus to the Council's operational requirements and had remained vacant for a considerable period of time. In order to minimise costs and maximise capital receipts, the Portfolio Holder agreed to the property being marketed for sale. However, interest was limited and the bids received were at a much lower level than expected. The report gave in-depth details as to the options that were available including:

- a) Leasing the property to a third party – the property would be available to let for a fixed period of time.
- b) Community Asset Transfer – the Council had already been approached by The History of Hartlepool in Images Group requesting that the property be transferred under the policy. The Assistant Director (Community Services) gave an overview of the meeting that had taken place between himself, the Estates and Asset Manager for the Council and The History of Hartlepool in Images Group. Should Community Asset transfer be considered then this would require to be openly advertised and submitting groups would need to meet the current council criteria as part of short listing.
- c) Remarket, subject to additional planning consents being obtained – the lodge and adjoining land was marketed with a development brief outlining that Planning Permission would be needed to use the land for residential purposes.

If the property was let on the open market, it would generate a rental income, and the tenant would be responsible for all repairs, maintenance and running costs. However, if the building was to be open to the public, the costs of ensuring compliance with the statutory requirements would either have to be undertaken by the Council, or a tenant would require a substantial rent free period (e.g. disabled access). Similarly, if a community organisation was interested in a Community Asset Transfer of the property, the organisation would either need to obtain grant funding or have considerable internal resources, or alternatively, the Council would have to fund the works. If the property were to be used as a residential dwelling, there would be no need to undertake any works to meet any statutory compliance works and therefore this may be the most appropriate way to proceed.

The Portfolio Holder queried how long the marketing for the resale of the property would take and expressed that he felt the property would be best utilised as a home. The need for the planning permission to be obtained in advance was highlighted as it may increase the interest and the value of the property. It was suggested that when advertising there could be a minimum and maximum bid to avoid an unrealistic offer. The Assistant Director (Resources) advised that it would take around 4 months to complete the marketing aspect of the sale.

The Portfolio Holder welcomed the interest shown by The History of Hartlepool in Images Group and asked the Assistant Director (Community Services) to work with the group on their ideas.

## **Decision**

That the Ward Jackson Park Lodge be remarketed subject to the Council obtaining planning consent.

## **57. Former Pink Domino Public House – (Assistant Director - Resources)**

### **Type of decision**

Non-Key decision.

### **Purpose of report**

To inform the Portfolio Holder of the Minor Property Issues dealt with under Delegated Powers and to seek approval for the use of a part of a small capital receipt from the release of a covenant.

### **Issue(s) for consideration by Portfolio Holder**

In the last quarter the release of a Covenant at the Pink Domino Public House in favour of the Council was dealt with under the Delegated Powers. The sale of the property was not under the Council's control, however, planning permission for a change of use to retail premises had been granted by the Council. This caused the need to agree the release of a covenant the Council had on the property and such release could not be unreasonably withheld and this was the case in this instance. A fee within the minor property delegation had been agreed with the purchaser and Ward Members suggested that 50% of the fee be used for improvements to the locality in recognition of the loss to the community. The remainder would be taken into the capital receipts fund.

## **Decision**

That the report and the property issues dealt with under Delegated Powers be noted.

That 50% of the fee for release of the covenant for local improvements be approved.

The meeting concluded at 3.23

**P J DEVLIN**

**CHIEF SOLICITOR**

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