

Officer Decision Record – Property Transaction

1. Subject and details of the matter

Ground Leases, Bradley Street, Grimsby

The Premises is held by way of two ground leases from North East Lincolnshire Borough Council (the 'Council') each for a term of 99 years with effect from 25 May 1978 and 2 June 1981 respectively. The passing rents total £3,775 per annum reviewable to market rent every 14 years. The Premises abut Ellis Way which is a busy thoroughfare through the Grimsby town centre.

Context

A representative of 'S. Clift (Grimsby) Limited' (the 'Tenant') attended a ward surgery of Councillor Beasant on 31 May 2014 enquiring if they could purchase the freehold of the Premises as he was selling the business. The Premises being leasehold was deterring potential interested parties and the only interest was from out-of-town companies that would close the Grimsby Premises resulting in the loss of staff.

Mr Steven Brickett, the Managing Director, sent written correspondence on 2 July 2014 in which he confirmed the stance and also cites additional information in support of the company purchasing the freehold. To summarise;

- The owner is retiring and wishes to sell the business as a going concern. Two previous interested parties withdrew in the past as *"negotiations faltered because buyers were unable to secure finance for the purchase, as banks were not willing to lend money on premises with a diminishing value as a going concern."*
- The original premises occupied by the company were freehold; the Council purchased them under Compulsory Purchase Powers and only offered a new leasehold title to these current Premises. Despite asking for a freehold the Council refused; they did however proceed to sell the opposite site freehold to ASDA shortly after.
- If the Premises are not freehold it has been stated the only interested parties would close the current location and transfer the business out of the area. This would see the business close which has 17 employees and has undergone a period of expansion over the last 5 years.

ODR dated 2nd February 2015

The previous ODR recommended that the freehold of the property known as Bradley Street Fruit and Veg Warehouse be disposed of to the tenant for a minimum price of £155,000 (one hundred and fifty five thousand pounds).

Updated Position

Following the previous ODR negotiations have been on-going with the tenant's appointed agent. During these negotiations they presented strong evidence of transactions that suggested the full rental values and yields adopted in the valuation that produced a figure of £155,000 (one hundred and fifty thousand pounds) should be revised.

The freehold value is sensitive to variations in the inputs of rents and yields used. The valuation with the altered inputs slightly reduces the freehold value however significantly reduces the amount of 'profit' through synergistic value. This has led to a reduced valuation for the freehold of £87,000 (eighty seven thousand pounds).

Options

1. Retain the freehold

The Council would continue to receive an annual rent of a minimum of £3,775, unlikely to increase at the next reviews. The risk is that the business is sold outside of the area and this impacts on the current and future employment opportunities at the site. Potentially the site in a prominent location could be left vacant and become derelict. There could also be loss of local employment.

Alternatively the business remains unsold and in time the business closes as the tenant retires; the results could be the same.

2. Dispose of the freehold

The Council would receive a capital receipt of £87,000 (of which £7,000 is 'profit' through synergistic value) and the business would potentially remain at the current site, protecting jobs and avoiding another vacant building. The Council would lose a revenue stream.

2. Details of Decision

This decision record seeks revised authority for the price to dispose of the freehold of The Bradley Street Fruit and Veg Warehouse (the 'Premises') following a previous Officer Decision Record (the 'ODR') dated 2nd February 2015.

It is recommended that the freehold of the property known as Bradley Street Fruit and Veg Warehouse be disposed of to the tenant for a price of £87,000 (eighty seven thousand pounds).

3. Is it a Key Decision as defined in the Constitution?

No – the decision:

- will not result in a rental receipt above the threshold definition of a Key Decision;
- relates to and impacts solely on one Ward (East Marsh);
- is not significant in terms of the number of residents / service users that will be affected in the ward; and
- is not likely to result in substantial public interest

4. Has the principle of the disposal been approved by Cabinet

No – in accordance with Section 3 above.

5. Is it an Urgent Decision? If yes, specify the reasons for urgency

N/A – it is not a Key Decision needed to be made urgently.

6. Anticipated outcome(s)

The freehold is disposed of to the tenant enabling them to sell the business as a viable concern and therefore it will remain at the current site, protecting jobs and avoiding another vacant building.

7. Have the Premises been marketed by advertising or by auction? (if not why not)

N/A – this decision is seeking to dispose to the existing tenant who is a special purchaser.

8. Background documents considered:

Officer Decision Record dated 2nd February 2015.

9. Does the taking of the decision include consideration of Exempt Information? If yes, specify the relevant paragraph of Schedule 12A and the reasons

No.

10. Monitoring Officer Comments (Assistant Director Law & Solicitor to the Council or nominee)

On the basis that the reduced valuation of £87,000 (previously £155,000) has been validated, if not provided, by the Council's Valuer's (Cofely GDF Suez) then there would not be any transaction at an under value. The recommendation is supported accordingly and legal services colleagues will complete the property legal work and transaction accordingly.

11. Section 151 Officer Comments (Director of Finance or nominee)

The sale of the freehold would generate a capital receipt of £87,000 that would then be used to support the Council's Capital Investment Programme. There would, however, be a loss of revenue income of £3,775 per annum.

12. Human Resource Comments (Assistant Director Strategic Business Support or nominee)

There are no direct HR implications arising from the contents of this report.

13. Risk Assessment (in accordance with the Report Writing Guide)

Crime and Disorder – The disposal enables the buildings to remain in their current use avoiding derelict buildings which could attract anti-social behaviour.

Diversity – The disposal enables the business to remain in the area protecting local employment.

Value for Money – The Council will forego a small revenue stream *however* the capital receipt received will result in the market value of the property.

14. Notification of Ward Councillors
(East Marsh Ward)

Cllr. S Beasant

Previously notified of the disposal and comment received in response.

Cllr. T Walker

Previously notified of the disposal and no comment received.

15. Consultation with Portfolio Holder:**Name:** Cllr M. Patrick**Title:** Portfolio Holder for Finance and Resources.

M. Patrick *17/12/15*

Signed and Dated

16. Decision maker:**Name:** Sharon Wroot**Title:** Director of Finance.

Sharon Wroot *17/12/15*

Signed and Dated

Appendix One - Site Plan



Officer Decision Record – Property Transaction

1. Subject and details of the matter

Land at Albert Street West, Grimsby, North East Lincolnshire

The above land (as outlined red on the plan attached at Appendix One) is held by the Council to provide Car Parking to its employees that currently work from Viking House in Grimsby. Viking House is however held by way of a lease and the term of that lease expires on 3rd July 2016. As part of the Councils Property Rationalisation project it has made the decision to withdraw from Viking House and therefore from 3rd July 2016, this car parking need will no longer be required. In fact, due to the date of the moves the Council have already started to withdraw and will be leaving prior to that date. Therefore the car park is no longer in use.

Context

Ordinarily the Council would have externally marketed the property and sought a freehold disposal on the open market. However in this instance the adjoining owner, the Blue Cross, have the benefit of a pre-emption clause having acquired the neighbouring site in 2011 to construct their current veterinary hospital;

12 Seller's Obligations

12.1 Pre-emption

- 12.1.1 If the Seller decides to dispose of its interest in the Retained Land it will first offer to dispose of that interest to the Buyer and will provide the Buyer with full terms of the disposal.
- 12.1.2 If the Buyer fails to respond to the offer within one month the Buyer will be deemed to have refused the offer.
- 12.1.3 If the Buyer accepts the offer both parties will act in good faith to complete the disposal within one month of the offer having been made.
- 12.1.4 If the Buyer refuses the offer or is deemed to have refused the offer the Seller shall be free to dispose of his interest freely.
- 12.1.5 (For the purposes of this clause 12, 'Disposal' shall mean the sale of the Seller's interest in the Property by way of freehold sale or grant of a lease for a term of 21 years or more save where such sale is to the Buyer or to a Group Company of the Buyer).

The Council therefore served formal notice on the Blue Cross on 29th October 2015 as detailed below:

1. OFFER

- 1.1 This notice is given pursuant to a Contract ('the **Agreement**') dated 20th October 2011 made between North East Lincolnshire Borough Council ("the Council") and the Blue Cross relating to Land at Albert Street West, Grimsby, the terms of which are incorporated into this notice.
- 1.2 The Council gives the Blue Cross notice that it wishes to make a Disposal (as defined by the Agreement).
- 1.3 The Seller offers to sell the Property to the Buyer in accordance with
 - (a) the terms of the Agreement; and
 - (b) terms of the Heads of Terms attached hereto

Following the service of that notice, the Blue Cross have agreed to acquire the site for £40,000, together with the following restrictive covenant:

That the site “can only be used as part of a Veterinary Hospital or for animal welfare related activities or the support and promotion thereof with related car parking and landscaping and purposes ancillary thereto or such other uses with the prior consent of NELC such consent not to be unreasonably withheld”.

2. Details of Decision

That the freehold of the land be sold for £40,000 to the Blue Cross, through exercising the pre-emption clause – in accordance with the recommendations of Cofely.

3. Is it a Key Decision as defined in the Constitution?

No – the decision:

- will not result in a capital receipt above the threshold definition of a Key Decision;
- relates to and impacts solely on one Ward (East Marsh);
- is not significant in terms of the number of residents / service users that will be affected in the ward; and
- is not likely to result in substantial public interest

4. Has the principle of the disposal been approved by Cabinet

No – in accordance with Section 3 above.

5. Is it an Urgent Decision? If yes, specify the reasons for urgency

N/A – it is not a Key Decision needed to be made urgently.

6. Anticipated outcome(s)

The freehold land be disposed of to the Blue Cross for the sum of £40,000.

7. Have the Premises been marketed by advertising or by auction? (if not why not)

No. A pre-emption clause exists in favour of the Blue Cross. The full Heads of Terms and plan are in Appendix One.

8. Background documents considered:

There are no background documents to be considered.

9. Does the taking of the decision include consideration of Exempt Information? If yes, specify the relevant paragraph of Schedule 12A and the reasons

No.

10. Monitoring Officer Comments (Assistant Director Law & Solicitor to the Council or nominee)

The proposals contained within this Officer Decision Record are considered sensible in all the circumstances. The proposals are considered to be in accordance with the existing pre-emption mechanism set out in the body of the report. Legal services will assist in the completion of this transaction accordingly.

11. Section 151 Officer Comments (Director of Finance or nominee)

The sale will generate a capital receipt of £40,000 that will be used to support the Council's Capital Investment Programme. There will also be no further ongoing maintenance liability for the land once the disposal takes place.

12. Human Resource Comments (Assistant Director Strategic Business Support or nominee)

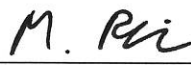
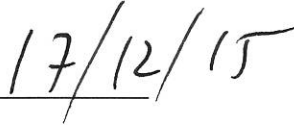
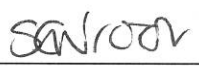
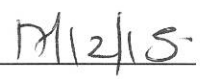
There are no direct HR implications arising from the contents of this report.

13. Risk Assessment (in accordance with the Report Writing Guide)

Crime and Disorder – The disposal enables the land to be disposed of and continue to be used in its current form or be redeveloped.

Diversity – The disposal enables the adjacent business to continue use and maintenance obligations or redevelop the site and improve the street scene.

Value for Money – The recommendation to dispose will result in a small revenue saving having no

further responsibility for maintaining the land. The capital receipt received will result in the market value of the land.		
14. Notification of Ward Councillors (East Marsh Ward)	Cllr. S. Beasant Dated: 15/12/2015 Comments: No comments received.	Cllr. T. Walker Dated: 15/12/2015 Comments: Attached at Appendix Two.
15. Consultation with Portfolio Holder:	Name: Cllr M. Patrick Title: Portfolio Holder for Finance and Resources. <div style="text-align: right;">   </div> <hr/> Signed and Dated	
16. Decision maker:	Name: Sharon Wroot Title: Director of Finance. <div style="text-align: right;">   </div> <hr/> Signed and Dated	

Appendix One



Heads of Terms – Subject to Contract

Land at Albert Street West, Grimsby

Vendor:	North East Lincolnshire Council Municipal Offices Town Hall Square Grimsby N E Lincolnshire DN31 1HU
Purchaser:	The Blue Cross Shilton Road Burford Oxfordshire OX18 4PF For the attention of; David Key Property Manager Direct Line: 01993 825563 (ex. 5563) Mobile: 07768 327376 E: david.key@bluecross.org.uk
Site:	Site shown edged in red on the attached plan
Approximate Area:	Approximately 750sqm (0.19 acres) or thereabouts
Price:	£40,000 (Forty thousand Pounds)
Present Use:	Car Parking
Restrictive Covenant:	The Site can only be used as part of a Veterinary Hospital or for animal welfare related activities or the support and promotion thereof with related car parking and landscaping and purposes ancillary thereto or such other uses with the prior consent of NELC such consent not to be unreasonably withheld
Planning Consents:	The purchaser is responsible for obtaining any Planning Permission in connection with this site
Tenure:	Freehold title with vacant possession upon completion (to be confirmed by the Councils Legal Department)
Vacant Possession:	Vacant Possession will be granted upon completion
Deposit:	10% payable on exchange. Completion to occur within 28 days of exchange

Vendors Agent:	<p>Cofely Workplace Ltd – c/o Paul Durrant Origin 2, Origin Way, Europarc, Grimsby, North East Lincolnshire, DN37 9T Tel no: 01472 324670 E-mail: paul.durrant@nelincs.gov.uk</p>
Vendors Solicitor:	<p>Mr Simon Jones Solicitor to the Council North East Lincolnshire Borough Council Municipal Offices Grimsby North East Lincolnshire DN31 1HU</p> <p>DX: DX13536 Grimsby 1 E-mail: LegalAdmin@nelincs.gov.uk</p>
Purchasers Solicitors:	To be advised
Professional fees:	The Purchaser is responsible for all reasonable Legal & Surveyors Fees in connection with this matter
Other Terms:	As agreed between the respective Legal parties

Site Plan



Appendix Two – Ward Councillor comments

From: Cllr - Walker, Terry
Sent: 16 December 2015 08:30
To: Fox, Jack
Subject: RE: Disposal of Land at Albert Street West

Hi Jack I don't have a problem with that thank you,
Terry.

Councillor Terry Walker
Ward Councillor for East Marsh
Portfolioholder for Leisure Services, Citizens and Public Protection
North East Lincolnshire Council
Municipal Offices
Grimsby
North East Lincolnshire
DN31 1HU

Tel: 01472 325342
Mob: 07919290606
Email: terry.walker@nelincs.gov.uk

From: Fox, Jack
Sent: 15 December 2015 13:57
To: Cllr - Beasant, Steve; Cllr - Walker, Terry
Subject: Disposal of Land at Albert Street West

Good Afternoon Councillors

The above piece of land has historically provided car parking to staff from Viking House. As part of Property Rationalisation, Viking House is being vacated and handed back to the landlord and therefore this car parking need will no longer be required.

In this case, the Council has not externally marketed the land for disposal as the adjoining owner, the Blue Cross, have the benefit of a pre-emption clause having acquired the neighbouring land in 2011 to construct their current veterinary hospital.

It is recommended that the land is disposed of through the above mechanism for a market sum. The decision will be formalised by way of an officer decision record by the Director of Finance and the Portfolio for Finance and Resources.

If you have any comments to make, please provide by return.

Regards

Jack Fox, Assets Advanced Practitioner (Corporate), North East Lincolnshire Council

Municipal Offices, Town Hall Square, Grimsby, North East Lincolnshire, DN31 1HU

01472 323388 | 07730 014287 | jack.fox@nelincs.gov.uk | www.nelincs.gov.uk

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**North East Lincolnshire is proud host of
the Armed Forces Day National Event on
25 June 2016**

Officer Decision Record – Property Transaction

1. Subject and details of the matter

14 Town Hall Street, Grimsby

The above property is held by way of freehold title by North East Lincolnshire Council and comprises an office premises which is currently vacant, following the relocation of the previous tenant, VANEL.

The council has determined that the property has no further internal use and as such should be disposed of by way of either a freehold sale or a leasehold disposal. As a result, the property was placed on the open market in early 2015.

Following a period of marketing an offer was received for use of the premises as a tattoo studio, however this offer did not progress and the property remained on the market.

An offer has now been received from Raven Facility Management Limited by Director Matthew Stinson (and a Councillor for the Sidney Sussex Ward) as follows:

Term:	3 years
Rent:	£6,000 per annum
Option to Purchase:	Option to purchase at month 6 at market value, subject to minimum of £90,000
Use:	Offices (Facilities management company)

It is the recommendation of ENGIE that the offer is reflective of market value and should be accepted.

2. Details of Decision

That a 3 year lease of 14 Town Hall Street is agreed, in accordance with the recommendations of ENGIE.

3. Is it a Key Decision as defined in the Constitution?

No – the decision:


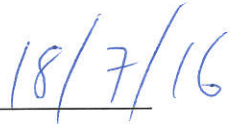
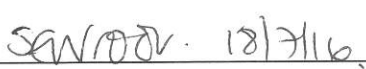
- will result in a capital receipt below the threshold definition of a Key Decision;
- relates to and impacts solely on one Ward (West Marsh);
- is not significant in terms of the number of residents / service users that will be affected in the ward;
- is not likely to result in substantial public interest; and
- will not incur a significant social, economic or environmental risk.

4. Has the principle of the disposal been approved by Cabinet

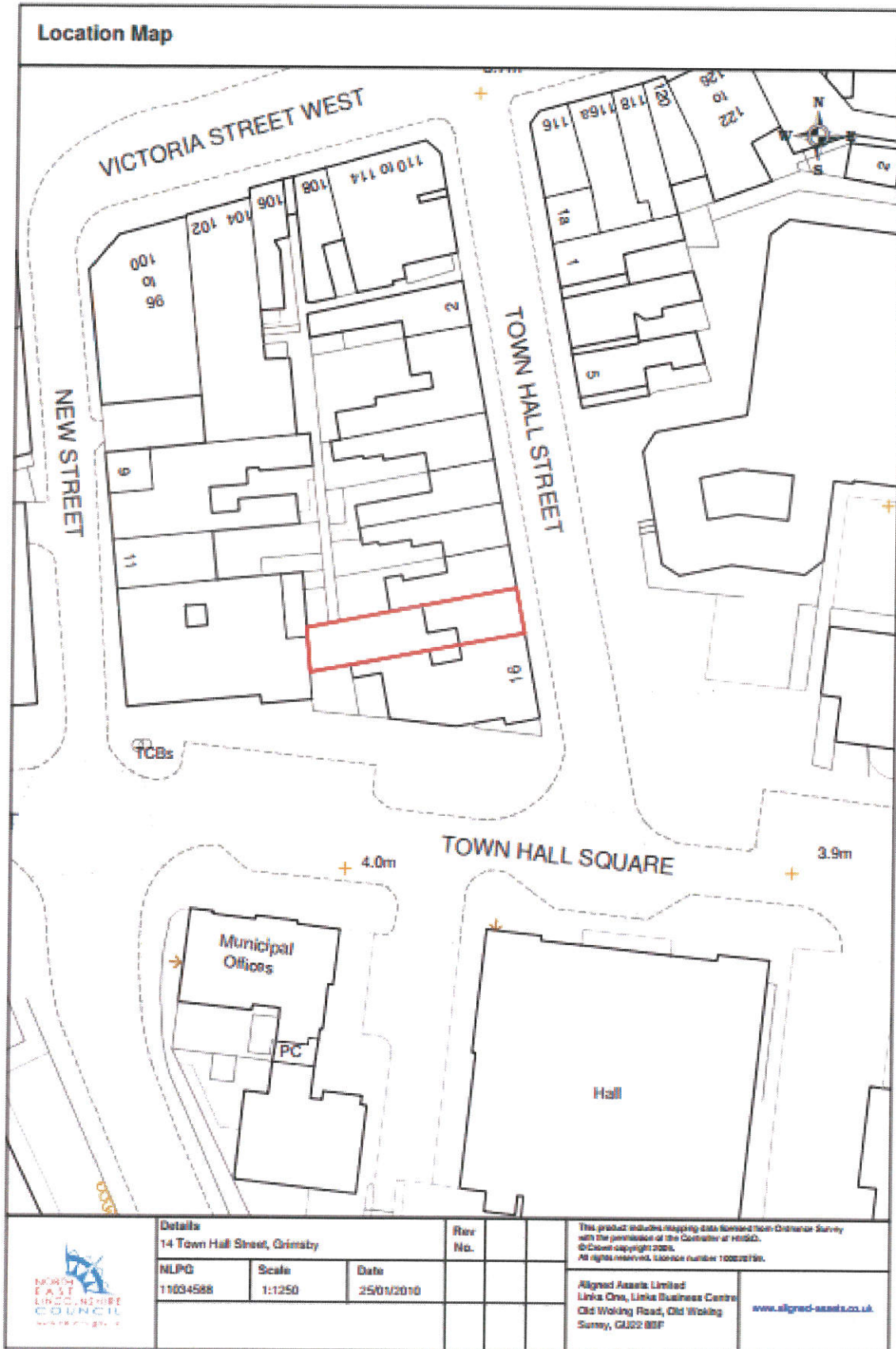
No – as per section 3 above.

5. Is it an Urgent Decision? If yes, specify the reasons for urgency

N/A – it is not a Key Decision needed to be made urgently. However there is a risk the potential tenant may withdraw if this decision is not made quickly.

6. Anticipated outcome(s)		
The offer is not subject to any onerous conditions; therefore, pending completion of the lease the council will continue to manage the property as a void.		
7. Have the Premises been marketed by advertising or by auction? (if not why not)		
Yes.		
8. Background documents considered:		
None.		
9. Does the taking of the decision include consideration of Exempt Information? If yes, specify the relevant paragraph of Schedule 12A and the reasons		
Open.		
10. Monitoring Officer Comments (Monitoring Officer & Chief Legal Officer)		
As stated above it is the recommendation of Engie that the offer from Raven Facilities Management Ltd is reflected at market value and should be accepted. Accordingly, legal services will complete the legal work arising from the decision.		
11. Section 151 Officer Comments (Director of Finance or nominee)		
The offer provides rental income of £6,000 per annum for a period of 3 years, unless the tenant's option to purchase after 6 months is actioned. A sale, should it proceed after 6 months, would generate a capital receipt of at least £90,000 and this would be used to support the Council's Capital Investment Programme. Both leasing and disposal would transfer the Council's ongoing liabilities for the running costs of the property.		
12. Human Resource Comments (Director of Governance & Business Support or nominee)		
There are no HR implications arising from the contents of this report.		
13. Risk Assessment (in accordance with the Report Writing Guide)		
<p>Crime and Disorder – The property is in an established commercial location and whilst acts of crime and vandalism have so far been limited, the risk will increase the longer the property remains vacant. The letting of these premises will ultimately remove any on-going risk to the council.</p> <p>Diversity – The potential lease provides the opportunity for the building to be brought back into use which will ensure the street scene does not deteriorate as a result of a void building.</p> <p>Value for Money – The recommendation to lease the property within this report will remove the costs associated with maintaining the void building.</p>		
14. Notification of Ward Councillors (West Marsh):	Cllr K Wilson Dated: 17/07/2016 Comments: None Received.	Cllr T Mickleburgh Dated: 17/07/2016 Comments: None Received.
15. Consultation with Portfolio Holder:	Name: Cllr M Patrick Title: Portfolio Holder for Finance and Resources <div style="text-align: center;">   </div> <hr/> Signed and Dated	
16. Decision maker:	Name: Sharon Wroot Title: Director of Finance <div style="text-align: center;">  </div> <hr/> Signed and Dated	

LOCATION PLAN



Officer Decision Record – Property Transaction

1. Subject and details of the matter

Lease in of part of premises at 146 Freeman Street (for Community Learning Services)

The council is adopting a commissioning approach for all services. One of the first areas of work to which the commissioning approach will be applied is pre-birth to 19+. This is a very wide programme which aims to deliver system change across the continuum of need and services, working effectively with partners to build on the 'Think Family' approach to take a holistic view of family need. By the end of the programme our activities will contribute towards resourceful and resilient individuals and families, civic pride and a spirit of citizenship across the borough.

Community Learning Service (CLS) is a critical part of this programme and for this reason will be reviewed as an early workstream. The whole of the service will be subject to review, not just the elements that support the learning of children and young people.

As a result of the review it is intended to accommodate the service collectively as opposed to the current arrangements which are split across property at Freeman Street Resource Centre (FSRC) and Thrunscoe Centre. The move will not only result in efficiencies within the service, but as a result of accommodation rationalisation will provide financial savings from the proposed arrangements.

The first phase of the move will see the service vacate and terminate lease for occupation of part of FSRC. In order to achieve this, the Council will need to provide the landlord of FSRC with three months' notice. In order to accommodate both elements of the service together, CLS have identified alternative premises at 146 Freeman Street, Grimsby.

The Council currently occupy FSRC by way of a lease which expired in January 2016. The Council are therefore holding over on those terms, which until that agreement is ended, provides for the following expenditure:

Rent	£32,000 pa
Service Charge (2014/15)	£56,530 pa (inclusive of Business Rates)

Total out-goings in 2014/15 £88,530

Foresight North East Lincolnshire Ltd (Foresight) is the freeholder of 146 Freeman Street, Grimsby, which was previously occupied by Rayners.

The council were approached by Foresight who were made aware of the Council's intentions and as such have offered space at their Freeman Street premises. Foresight intends to refurbish and remodel the first floor accommodation to create space suitable for CLS's needs. This is to include seven classrooms with ancillary facilities on the first floor and office space on the ground floor with shared facilities. The refurbishment works will be carried out at the expense of Foresight.

Heads of terms include the following:

- The landlord will provide the tenant with 12 car parking spaces
- 10 year term from a date to be agreed
- A break clause in favour of the Council will be actionable at year five by providing six months prior notice
- The Council will be afforded Security of Tenure under the Landlord and Tenant Act 1954 Part II
- The Council will be responsible for internal repairs

Meetings between the Council and Foresight have highlighted CLS wish to see a fixed rent to include

Business Rates, utilities, cleaning, security and external repairs and decoration. Foresight has proposed a rental figure of £32,000 per annum. ENGIE have been providing support and advice on this through the Partnership. The Council should not however give notice on its accommodation at the Resource Centre until both parties are legally committed to delivering the scheme.

Foresight has also indicated they would be willing to develop the building further to create additional classroom space to allow phase two of the council's relocation plans to vacate the Thrunscoc Centre. Phase one is to be actioned in the first instance and further discussions are to be had with regards to phase two.

2. Details of Decision

This decision record seeks approval to vacate FSRC and acquire part of 146 Freeman Street by way of a 10 year lease for an annual inclusive rent of £32,000 pa (thirty two thousand pounds) – subject to the works being completed as agreed in the specification – which represents market value and is recommended by ENGIE.

This will allow CLS to vacate FSRC as part of a phased relocation plan which will create sufficient space for all parts of the service to occupy in future. Future phases will be subject to further approvals as and when required.

3. Is it a Key Decision as defined in the Constitution?

No – the decision:

- will not result in a rental receipt above the threshold definition of a Key Decision;
- relates to and impacts solely on one Ward (East Marsh);
- is not significant in terms of the number of residents / service users that will be affected in the ward; and
- is not likely to result in substantial public interest

4. Has the principle of the disposal been approved by Cabinet

No – in accordance with Section 3 above.

5. Is it an Urgent Decision? If yes, specify the reasons for urgency

N/A – it is not a Key Decision needed to be made urgently.

6. Anticipated outcome(s)

That the Council vacate FSRC when the works are complete and lease in premises at 146 Freeman Street, Grimsby, for a term of 10 years on the basis of the attached Heads of Terms. This will allow CLS to terminate their agreement at FSRC and relocate to 146 Freeman Street with minimal disruption to the service as possible.

7. Have the Premises been marketed by advertising or by auction? (if not why not)

No – the premises is to be leased in.

8. Background documents considered:

There are no background documents to be considered.

9. Does the taking of the decision include consideration of Exempt Information? If yes, specify the relevant paragraph of Schedule 12A and the reasons

No.

10. Monitoring Officer Comments (Monitoring Officer & Chief Legal Officer)

The Decision is supported. The Chief Legal Officer will ensure that the appropriate lease arrangements and negotiations are concluded in the best interests of the Council to support the delivery of the 0-19 exercise referred to above and CLS in particular.

11. Section 151 Officer Comments (Director of Finance or nominee)

CLS is currently undergoing a service review with the intention that an efficient and financial sustainable business model will be created. The undertaking of Phase 1 of the process as detailed in the report will result in the avoidance of the service charge element currently paid at the Freeman Street Resource Centre which will assist with this significantly. Phase 2 will further strengthen the service as well as supporting the financial sustainability objective.

12. Human Resource Comments (Assistant Director Strategic Business Support or nominee)

There are no major HR implications arising from the premises move for staff within CLS, however, there should be ongoing consultation with staff to ensure a smooth transition from one building to another. There may also be excess mileage claims for those relocating from Thrunscoe to Freeman Street which needs to be factored in and could have financial implications, however, this also depends on the employee's home address.

13. Risk Assessment (in accordance with the Report Writing Guide)

Crime and Disorder – There are no Crime and Disorder issues identified as part of this proposal.

Diversity – There are no Diversity issues identified as part of this proposal.

Value for Money – The inclusive rent of £32,000 per annum has been itemised (as detailed above) and it is believed the Council will benefit from paying an inclusive rent as opposed to a percentage service charge which is payable at FSRC. The annual expenditure overall by vacating both FSRC and Thrunscoe Centre is expected to be considerably less than the current arrangements.

14. Notification of Ward Councillors (East Marsh Ward)

Cllr. K Rudd

Dated: **06/06/2016**Comments: **None Received.**

Cllr. S Beasant

Dated: **06/06/2016**Comments: **None Received.**

Cllr. T Walker

Dated: **06/06/2016**Comments: **None Received.****15. Consultation with Portfolio Holder:****Name:** Cllr M. Patrick**Title:** Portfolio Holder for Finance and Resources.

Signed and Dated

16. Decision maker:**Name:** Sharon Wroot**Title:** Director of Finance.

Signed and Dated

Appendix One – Location Plan



Officer Decision Record – Property Transaction

1. Subject and details of the matter

46 Heneage Road, Grimsby

The above property (as outlined red on the attached plan at Appendix One) is held by way of freehold title by North East Lincolnshire Council and comprises an office premises which has been declared surplus by the Council as part of a programme of rationalisation. The property is now vacant following occupation by the Young People's Support Services (YPSS), who relocated to the Molson Centre in early April 2016.

The Director of Finance in consultation with the Portfolio Holder for Finance and Resources has determined that the property has no further internal use and as such should be disposed of by way of either a freehold sale or a leasehold disposal. As a result, the property was placed on the open market in early 2016.

Following a period of marketing the following offers for the freehold have been received:

1. A cash offer of £87,500 from Walton's Publications (currently located on Hainton Avenue) for the continued use of the building as offices. The only condition that has been placed on this offer is that the property is taken off the market pending completion of the sale. .
2. An offer of £95,000 from a party who are looking to convert the building into residential flats. This offer is subject to planning and will be part funded by a mortgage.

The Planners have confirmed that planning permission for conversion to residential flats would be difficult to obtain in this area, which is a flood risk area, without costly mitigation requirements which may include raising the height of the ground floor or splitting the building vertically so that the sleeping rooms are on first floor level rather than ground floor. There is therefore the risk that the sale will not proceed if planning permission is not obtained, in which event the first offeree may still not be interested in the property, resulting in the property having to be re-marketed and extending any void period with associated costs.

The first cash offer of £87,500, which is not subject to planning permission and which carries less risk and uncertainty, should be progressed as recommended by ENGIE as being the best price reasonably obtainable and as accompanied by a valuation certificate by a qualified Surveyor.

2. Details of Decision


That the freehold of 46 Heneage Road be sold generating a total capital receipt of £87,500 (less costs of sale), in accordance with the recommendations of ENGIE.

That Legal Services be instructed to complete the necessary documentation to progress the sale, following certification that the price is the best that is reasonably obtainable.

3. Is it a Key Decision as defined in the Constitution?

No – the decision:

- will result in a capital receipt below the threshold definition of a Key Decision;
- relates to and impacts solely on one Ward (Heneage);
- is not significant in terms of the number of residents / service users that will be affected in the ward;
- is not likely to result in substantial public interest; and
- will not incur a significant social, economic or environmental risk.

4. Has the principle of the disposal been approved by Cabinet			
No – as per section 3 above.			
5. Is it an Urgent Decision? If yes, specify the reasons for urgency			
N/A – it is not a Key Decision needed to be made urgently. However there is a risk the potential purchaser may withdraw if this decision is not made quickly.			
6. Anticipated outcome(s)			
<p>The offer is not subject to any onerous conditions; therefore, pending exchange of contracts the council will continue to manage the property as a void until the sale completes. The holding costs have been estimated at c. £7,500.</p> <p>Completion of this disposal will realise a capital receipt of £87,500 (less costs of sale) which will contribute to the Council's disposal programme.</p>			
7. Have the Premises been marketed by advertising or by auction? (if not why not)			
Yes			
8. Background documents considered:			
None.			
9. Does the taking of the decision include consideration of Exempt Information? If yes, specify the relevant paragraph of Schedule 12A and the reasons			
Open			
10. Monitoring Officer Comments (Monitoring Officer & Chief Legal Officer)			
The Council has the ability to dispose of assets. Provided that the price is the best price reasonably obtainable by a qualified Surveyor there is no need to take the matter to Cabinet and consider any other benefits of the transaction.			
11. Section 151 Officer Comments (Director of Finance or nominee)			
<p>The two offers of £87,500 and £95,000 are deemed to meet the market value expectations from the planned sale. However, the lower offer of £87,500 is recommended due to the uncertainty and risk surrounding the higher offer.</p> <p>The capital receipt generated would be available to be utilised on the Council's Capital Investment Programme.</p>			
12. Human Resource Comments (Director of Governance & Business Support or nominee)			
There are no direct HR implications arising from this report.			
13. Risk Assessment (in accordance with the Report Writing Guide)			
<p>Crime and Disorder – The property is in an established mixed residential/commercial location and whilst acts of crime and vandalism have so far been limited, the risk will potentially increase now the Council has vacated the property and it is held void. Disposal of this premise will ultimately remove any on-going risk to the Council.</p> <p>Diversity – The potential sale provides the opportunity for the site to be refurbished which will ensure the street scene does not deteriorate as a result of a void building.</p> <p>Value for Money – The recommendation to dispose of this property within this report will remove the costs associated with maintaining the void building and secure a capital receipt to support future capital projects.</p>			
14. Notification of Ward Councillors (Heneage)	Cllr R James Dated: 03/05/2017 Comments: None Received.	Cllr M Patrick Dated: 03/05/2017 Comments: None Received.	Cllr J Stockton Dated: 03/05/2017 Comments: None Received.
15. Consultation with Portfolio Holder(s):	Name: Cllr M Patrick Title: Portfolio Holder for Finance and Resources <div style="text-align: center;">  13/5/16 </div> <div style="text-align: center; margin-top: 10px;">Signed and Dated</div>		

16. Decision maker(s)

Name: Sharon Wroot

Title: Director of Finance

Sharon Wroot

13/5/10

Signed and Dated

Appendix One - Location Plan

Location Map



Details 46 Hendon Road			Rev No.		This product includes mapping data sourced from Ordnance Survey with the permission of the Controller of HMSO. © Crown copyright 2014. All rights reserved. Licence number 10000755. North East Lincolnshire Council Civic Offices Keston Street Cleethorpes, DN35 8LN www.nelincs.gov.uk
NLPG 11047542	Scale 1:1250	Date 15/03/2016			
File Pathname / Project / Drawing No.					

Officer Decision Record

1. Subject and details of the matter

Humberston Fitties – increased security arrangements over the closed season 2016

The Council is obliged to enforce the current Closed Season at the above site, daily between 16.00 and 09.30, operating through January and February inclusive. The closed season commences on 1 January 2016 for eight consecutive weeks, concluding 26 February 2016 and is there to prevent overnight occupation. The standard procedural approach to the Closed Season as adopted in previous years will be followed and options have been considered in respect to the increased security measures available over the closed period.

The Closed Season is a very important condition and is preserved in the lease restricting such use and mirrors the planning condition for the site. The Council, as landlord takes this clause very seriously and has in the past rigorously enforced this, seeking injunction proceedings against individuals, deemed to have breached this condition. The Closed Season is defined in the respective chalet park leases by the following clause;


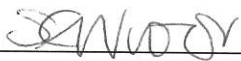
- (24) Not to use or occupy the demised land for any purpose whatsoever between the hours of
4.00 p.m. on each day and 9.30 a.m. on each following day during the months of January
and February in each year and to ensure that during such hours any chalet and any gates
on the demised land are locked and secured

The Council are legally obliged to enforce the Closed Season clause and as such the Council's Regeneration Partner Engie is responsible for its implementation and management with support from the Council's Legal department. This record approves that continued enforcement and reporting of the Closed Season and in the event evidence is gathered to suggest a breach, appropriate legal resource will be in place to deal with the matter effectively.

2. Details of Decision

1. The procedural approach as taken in previous years be adopted as the method for the 2016 Closed Season; and
2. Further to the consideration of several options in respect to increased security measures over the Closed Season, the option to provide CCTV monitoring supported by additional mobile patrols be introduced:
 - Security patrols - £2,461.20 - Open and close the barrier and provide mobile patrols throughout the night (x4);
 - 5 x 3G Mini Domes for 2 months = £10,158.75
CCTV - Cameras would be linked back to the control room and monitored via the external broadband enabled PC. Two full patrols via the cameras would be carried out by each duty officer. Locations to be confirmed.
 - **Total = £12,619.95**

3. Is it a Key Decision as defined in the Constitution?			
No – the decision:			
<ul style="list-style-type: none"> relates to and impacts solely on one Ward (Humberston and New Waltham Ward); is not significant in terms of the number of residents / service users that will be affected in the ward; is not likely to result in substantial public interest; and will not incur a significant social, economic or environmental risk. 			
4. Is it an Urgent Decision? If yes, specify the reasons for urgency			
Although it is not a Key Decision, it is needed to be made urgently in support of the 2016 closed season.			
5. Anticipated outcome(s)			
The introduction of increased security measures over the Closed Season period will provide the Council the reassurance that the condition in the lease restricting use, which mirrors the planning condition for the site, is being preserved. The Council, as landlord, has a duty to uphold the obligations as set out in the lease and will rigorously enforce this, seeking injunction proceedings or other measures against individuals deemed to have breached this condition.			
6. Background documents considered:			
There are no background documents to be considered			
7. Does the taking of the decision include consideration of Exempt Information? If yes, specify the relevant paragraph of Schedule 12A and the reasons			
No			
8. Monitoring Officer Comments (Assistant Director Law & Solicitor to the Council or nominee)			
<p>Advice has been provided by legal services colleagues in respect of the use of CCTV for the purpose of the increased security arrangements detailed in this document. The Information Commissioners Officer (ICO) publishes guidance (https://ico.org.uk/for-the-public/cctv/) in this area. The ICO states that CCTV operators must let people know they are using CCTV and that signs are the most usual way of doing this. Individuals can have the right to see CCTV images of themselves and ask for a copy of them. This must be provided within 40 calendar days and a fee of up to £10 may be levied for this. This is known as a Subject Access Request. There are detailed rules and regulations relating to the use of CCTV footage as evidence.</p> <p>It has been confirmed that this advice has been followed.</p>			
9. Section 151 Officer Comments (Director of Finance or nominee)			
The costs of security for the respective period is approximately £12,600. These costs will be met through the Humberston Fifties revenue budget.			
10. Human Resource Comments (Assistant Director Governance & Democracy or nominee)			
There are no direct HR implications arising from the contents of this report.			
11. Risk Assessment			
<p>Crime and Disorder – It is anticipated that by providing additional security measures during the closed period will reduce or mitigate any acts of crime or anti social behaviour.</p> <p>Diversity – The proposal for increased security measures does not impact on Diversity.</p> <p>Value for Money – The recommendation to increase security measures over the Closed Season will ensure the Council is taking appropriate actions in the effective management of its Assets.</p>			
12. Notification of Ward Councillors (Humberston and New Waltham Ward)	Cllr. J. S. Fenty Dated: 15/01/2016 Comments: None Received.	Cllr. S. Harness Dated: 15/01/2016 Comments: None Received.	Cllr. S. Shreeve Dated: 01/01/2016 Comments: Noted. Attached as per Appendix One.

13. Consultation with Portfolio Holder:	Name: Cllr M. Patrick Title: Portfolio Holder for Finance and Assets.
	<div data-bbox="635 241 831 315" data-label="Text"></div> <div data-bbox="944 241 1147 291" data-label="Text">15 JAN 2016</div> <div data-bbox="700 336 927 374" data-label="Text">Signed and Dated</div>
14. Decision maker:	Name: Sharon Wroot Title: Director of Finance
	<div data-bbox="616 584 858 645" data-label="Text"></div> <div data-bbox="968 557 1173 607" data-label="Text">15 JAN 2016</div> <div data-bbox="697 649 922 687" data-label="Text">Signed and Dated</div>

Appendix One

From: Cllr - Shreeve, Stanley
Sent: 01 January 2016 13:15
To: Fox, Jack
Subject: Re: Humberston Fitties - increased security over the closed season

Noted.

Cllr Stan Shreeve

Sent from my iPhone

On 30 Dec 2015, at 11:25, Fox, Jack <Jack.Fox@nelincs.gov.uk> wrote:

Good Morning Councillors

The Council is obliged to enforce the current Closed Season at the above site, daily between 16.00 and 09.30, operating through January and February inclusive. The closed season commences on 1 January 2016 through to 00:00, 29 February 2016 and is there to prevent overnight occupation. The standard procedural approach to the Closed Season, as adopted in previous years, will be followed and options have been considered in respect to the increased security measures available over the closed period.

The Closed Season is a very important condition and is preserved in the lease restricting such use and mirrors the planning condition for the site. The Council, as landlord takes this clause very seriously and has in the past rigorously enforced this, seeking injunction proceedings against individuals, deemed to have breached this condition. The Closed Season is defined in the respective chalet park leases by the following clause:

<image002.png>

The Council are legally obliged to enforce the Closed Season clause and as such the Councils Regeneration Partner Cofely is responsible for its implementation and management with support from the Councils Legal department.

The purpose of my email is to advise you that the Director of Finance, in consultation with the Portfolio Holder for Finance and Resources, has approved continued enforcement and reporting of the Closed Season and in the event evidence is gathered to suggest a breach, appropriate legal resource to deal with the matter effectively.

Additionally, further to the consideration of several options in respect to increased security measures over the Closed Season, the option to provide CCTV monitoring, supported by additional mobile patrols will be introduced, as follows:

- Security patrols - open and close the barrier and provide mobile patrols throughout the night (x4); and
- 5 x 3G CCTV Mini Domes. Cameras will be linked back to the Councils security control room and monitored via an external broadband enabled PC. Two full patrols via the cameras will be carried out by each duty officer. Locations to be confirmed.

This decision will be formalised by way of an Officer Decision Record, which will also contain any comments you may wish to make. Could you therefore please provide any comments by return of this email and no later than Friday 8 January 2016.

Regards

Jack Fox, Assets Advanced Practitioner (Corporate), North East Lincolnshire Council
Municipal Offices, Town Hall Square, Grimsby, North East Lincolnshire, DN31 1HU
01472 323388 | 07730 014287 | jack.fox@nelincs.gov.uk | www.nelincs.gov.uk



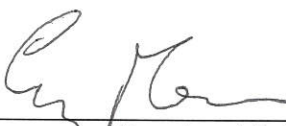
North East Lincolnshire Council and Cofely, working in partnership to deliver a stronger economy and stronger communities



Officer Decision Record

1. Subject and details of the matter
Engie is seeking approval to award the North East Lincolnshire Council Gas Basket Framework following conclusion of the procurement exercise. The contract will be awarded using delegated powers, which were granted by Cabinet on 12 July 2016.
2. Is it a Key Decision as defined in the Constitution?
Yes
3. Details of Decision
This procurement was conducted under the competitive procedure with negotiation. subject to the Public Contracts Regulations, Regulation 26(4)(a).
4. Is it an Urgent Decision ? If yes, specify the reasons for urgency
No
5. Anticipated outcome(s)
To proceed with the award for North East Lincolnshire Council Gas Basket Framework
6. Details of any alternative options considered and rejected by the officer when making the decision
Please refer to the <u>cabinet paper</u> dated 15 April 2015.
7. Background documents considered:
Decision CB.149 Cabinet on 15 April 2015 approved the following proposals: To adopt a new "risk based" approach to energy procurement which would open up opportunities to share income generated through commission for any new organisation joining the Council's energy "basket"; Ceasing of arrangements with YPO from 1st April 2017. Decision DN.15 Cabinet on 12 July 2016 approved the following; That the Chief Legal Officer – Monitoring Officer in conjunction with the Portfolio

holder be granted delegated authority to award the new energy supply contract on behalf of the Council.
8. Does the taking of the decision include consideration of Exempt information? If yes, specify the relevant paragraph of Schedule 12A and the reasons
No.
9. Details of any conflict of interest declared by any Cabinet Member who was consulted by the officer which relates to the decision (in respect of any declared conflict of interest, please provide a note of dispensation granted by the Council's Chief Executive)
No
10. Monitoring Officer Comments
<p>Legal services are integrally involved in this project and driving compliance with all internal and external regulations specifically including the Council's Constitution, the Public Contracts Regulations 2015 and the Treaty on the Functioning of the European Union.</p> <p>It is necessary for all aspects of the framework to adequately and properly deal with legal relationships between NELC and the energy supplier; between NELC and other framework users and between those other framework users and the energy supplier.</p> <p>Legal services will ensure that all terms and conditions, covering all relationships, protect the Council's interests to the greatest degree commercially and reasonably possible.</p>
11. Section 151 Officer Comments
<p>As outlined in the original report, the creation of the framework could result in cost savings for the Council and any framework participant. The financial impact will not be known, however, until the contract is signed with the preferred recommended tenderer and when they are then able to trade in the market in a broker capacity.</p>
12. Human Resource Comments
<p>There are no direct HR implications arising from the contents of this report.</p>
13. Risk Assessment (in accordance with the Report Writing Guide)
<p>There is a risk of not awarding the contract in time to allow transfer of energy account details for all framework participants and trading of gas to achieve best price.</p>

14. Decision maker(s)	Name: Tony Maione Title: Chief Legal Officer & Monitoring Officer Signed:  _____ Dated: _____
15. Consultation carried out with Portfolio Holder(s):	Name: Cllr David Watson Title: Portfolio Holder, Energy & Environment (29 September 2016)  _____ Signed and Dated
16. If the decision is urgent then consultation should be carried out with the relevant Scrutiny Chair/Mayor/Deputy Mayor	Not Applicable  _____ Signed and Dated

Officer Decision Record – Property Transaction

1. Subject and details of the matter

The former Tourist Information Centre (42 Alexandra Road) has been vacant since the service withdrew and integrated into the Library in Cleethorpes. Since that time the property has remained vacant. A marketing exercise was undertaken in 2011 for a freehold disposal, following which a buyer was secured in June 2012 and the respective legal parties instructed.

In August 2014 however and following a decision by Cabinet, the Council decided to withdraw from the disposal and to undertake a number of Heritage works to remedy issues deemed in breach of Planning before later remarketing.

The property was remarketed in October 2014 seeking interested parties to lease the premises. Since that time, there have been a number of parties expressing an interest, both commercial entities and community bodies. More recently (January 2016) two offers have been received, one from Age UK and another from a commercial enterprise. Age UK have since withdrawn their offer and therefore the intention is to proceed with the commercial interest.

2. Details of Decision

This decision record seeks to dispose of the former Tourist Information Centre by way of a lease to the proposed tenant, in return for an annual rental of £15,000 pa (fifteen thousand pounds) once the rent free period and stepped rent have ended within the first year. This will remove future liabilities for internal repair and business rates from the Council.

3. Is it a Key Decision as defined in the Constitution?

No

4. Has the principle of the disposal been approved by Cabinet

Yes – see below;

Cabinet at its meeting of the 6 August 2014 considered a report from the Leader of the Council and Portfolio Holder for Regeneration and Assets seeking authority to retain the above and hold the asset as an investment to generate a revenue return.

Cabinet reference DN.35 RESOLVED –

(1) *That the property at 42-43 Alexandra Road, Cleethorpes should be retained as an investment property and that no further action be taken to dispose of the asset.*

(2) *That all necessary heritage works be undertaken in line with Local Conservation advice.*



(3) *That the property be remarketed for leasehold opportunities at the appropriate time and that the Strategic Director for Place be authorised to agree terms for any such leasehold arrangement.*

REASONS FOR DECISION - The Council has an increasing focus on revenue generation and 42-43 Alexandra Road is well placed to be held as an investment property. On the basis of the anticipated rental value, the Council will be in a more favourable revenue position than it would otherwise be if it disposed of the property.

OTHER OPTIONS CONSIDERED - One option would be to proceed with the sale of the property. However, this would not afford the opportunity to generate a revenue stream for the Council. It would also retain a risk in terms of the timeframe of delivering the necessary heritage works to the building.

5. Is it an Urgent Decision? If yes, specify the reasons for urgency

N/A

6. Anticipated outcome(s)			
That the premises be let on a 5 year lease on the basis of the attached Heads of Terms. This will generate a revenue stream for the Council, remove the current liabilities and see a vacant building brought back into beneficial use.			
7. Have the Premises been marketed by advertising or by auction? (if not why not)			
Yes.			
8. Background documents considered:			
None.			
9. Does the taking of the decision include consideration of Exempt Information? If yes, specify the relevant paragraph of Schedule 12A and the reasons			
No.			
10. Monitoring Officer Comments (Assistant Director Law & Solicitor to the Council or nominee)			
The decision will be implemented through the completion of the necessary lease setting out the terms and conditions being entered into by the parties. The removal of any legal obligation in respect of internal repair is in the Council's interests.			
11. Section 151 Officer Comments (Director of Finance or nominee)			
The proposal to dispose of the former TIC by way of a lease is in accordance with the cabinet resolution. As detailed within this decision record, the proposal will remove future liabilities for internal repair and business rates from the Council. The rent free period and stepped rental arrangement in the first year is a reasonable concession in order to secure a market based rent of £15,000 per annum.			
12. Human Resource Comments (Assistant Director Strategic Business Support or nominee)			
There are no direct HR implications arising from the contents of this report.			
13. Risk Assessment (in accordance with the Report Writing Guide)			
<p>Crime and Disorder – The disposal enables the premises to be refurbished which will improve the current street scene and remove the risks associated with empty buildings, which could attract anti-social behaviour.</p> <p>Diversity – The disposal provides the opportunity for the refurbishment of the premises and provides alternative uses in a well-known part of the resort.</p> <p>Value for Money – The Council will receive an annual rental stream in line with market value for the premises whilst at the same time removing the holding costs.</p>			
14. Notification of Ward Councillors (Croft Baker)	Cllr T. Thurogood Dated: 01/03/2016 Comments: None Received.	Cllr M. Brown Dated: 01/03/2016 Comments: None Received.	Cllr A. Darby Dated: 01/03/2016 Comments: None Received.
15. Consultation with Portfolio Holder:	Name: Cllr M. Patrick Title: Portfolio Holder for Finance and Resources. <div style="text-align: center;">  24/3/16 Signed and Dated </div>		
16. Decision maker:	Name: Sharon Wroot Title: Director of Finance. <div style="text-align: center;">  22/3/16 Signed and Dated </div>		

Appendix One – Location Plan



Agreed Heads of Terms

Details redacted due to confidentiality.
