

MEETING	CABINET
DATE	9 OCTOBER 2012
PRESENT	COUNCILLORS ALEXANDER (CHAIR), CRISP, GUNNELL, LEVENE, MERRETT, SIMPSON-LAING (VICE-CHAIR) AND WILLIAMS
IN ATTENDANCE	COUNCILLORS HEALEY, STEWARD AND WARTERS
APOLOGIES	COUNCILLOR LOOKER

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## **PART B - MATTERS REFERRED TO COUNCIL**

### **33. SALE OF THE HUNGATE SITE**

Consideration was given to a report which set out proposals to sell Council land on the Hungate site to bring new jobs into the city and generate a capital receipt.

The site which comprised the former Peasholme Hostel, the Haymarket Car Park and the former Dundas Street Ambulance Station was shown at Annex 1 of the report.

Interest in the site had been forthcoming from Hiscox Ltd and following detailed investigations and discussions a formal offer for the site received. Although the site had not been marketed other interested parties had also been asked to submit offers and a number for expressions of interest and subsequent offers had now been received.

Information on and an analysis of the three bids was set out at paragraphs 6 to 18 and at Confidential Annex 2. Additional options together with an evaluation of the individual bids and the report of the independent valuer were also provided at paragraphs 19 to 26 and Annex 3. It was also note that the Council had an obligation not to sell land for less than the best consideration reasonably obtainable, without the consent of the Secretary of State. The Council would need to be satisfied that these obligations were complied and this was further explained in Confidential Annex 4.

The Leader pointed out that whilst the offer by Bidder 2 was not the highest, that it provided the largest economic benefit to the city and higher business rates than would have resulted from a hotel development.

Following further lengthy discussion it was

- RECOMMENDED:
- i) That Council agree to commence negotiations for the sale of the Hungate site to the Hiscox development partner, Bidder 2.
  - ii) That Council delegate authority to the Director of Customer and Business Support Services the power to finalise an agreement for the sale of the land to Bidder 2 at a commercial market value being not less than the figure set out in Annex 2 of the report.
  - iii) Cabinet recommends to Council amendment of the capital programme financing, reducing capital receipts by £1.627m, with a corresponding increase in prudential borrowing.

- REASON:
- i) To promote the economic well being of the City by ensuring the creation of between 400-600 new jobs and realising a capital receipt to fund the capital programme.
  - ii) & iii) To ensure the effective delivery of the capital programme.

#### **34. ADMIN ACCOMMODATION PORTFOLIO - FURTHER PROPERTY RATIONALISATION**

Members considered a progress update on the extension of the scope of the Administrative Accommodation rationalisation to further reduce the number of office buildings used by the Council and increase the accommodation provided to partners.

Following inclusion in the programme, in January 2012, the exiting of the Guildhall, St Anthony's House and 50 Acomb Road, accommodation had been required for an additional 200 staff and 47 members within the two remaining buildings.

In order to achieve further savings additional changes were required at West Offices and it was proposed that the Hazel Court site was used as the second Admin Accommodation site, as detailed in paragraphs 7 to 13 of the report. This would provide flexible workspace for all Council staff and partners. A further break down of the cost of modifications required at Hazel Court were set out in the Confidential Annex 2 to the report.

Members referred to repairs required to existing buildings and accessibility concerns and to the need for smarter working which the enhanced proposals would provide.

It was then

- RECOMMENDED:
- i) That Council agree the proposals for amending the design of Hazel Court to accommodate additional staff and an increased range of facilities.
  - ii) That Council be requested to create a capital budget of £618k to be funded from revenue savings achieved by exiting the 3 additional buildings.

- REASON:
- i) To reduce the Council's Admin Accommodation portfolio and ensure the provision of suitable flexible workspaces for staff and partners in Hazel Court.
  - ii) To ensure the effective delivery of the capital programme.