

MIDDLESBROUGH COUNCIL

EXECUTIVE REPORT

PART A

Report Title: Land at Rosebay, Coulby Newham, Middlesbrough and Associated Plots.

Deputy Mayor and Executive Member for Resources: Councillor David Budd

Director of Resources: Paul Slocombe and Director of Regeneration: Kevin Parkes

Date: 16th January 2012

PURPOSE OF THE REPORT

1. To report on the offers received following the marketing for sale by tender of the residential development site known as Rosebay Close at Coulby Newham (situated off Coulby Farm Way).

SUMMARY OF RECOMMENDATIONS

2. To recommend the selection of a 'preferred bidder', with a view to instructing Legal Services to proceed with the sale to that bidder subject to there being no formal challenge arising during the statutory standstill period required in compliance with the Public Contracts Regulations

IF THIS IS A KEY DECISION WHICH KEY DECISION TEST APPLIES?

3. It is over the financial threshold (£150,000)
It has a significant impact on 2 or more wards
Non Key

DECISION IMPLEMENTATION DEADLINE

4. For the purposes of the scrutiny call in procedure this report is

Non-urgent
Urgent report

If urgent please give full reasons

BACKGROUND AND EXTERNAL CONSULTATION

5. Rosebay comprises an area of land extending to some 0.453 hectares (1.12 acres) or thereabouts, which is owned by the Council. The site is suitable for residential development, and it is considered that between ten and fifteen detached properties could be developed on the site, accessed from a cul-de-sac that will need to be constructed on the land. The site has planning permission for residential development for detached dwellings.
6. In the nearby locations of Fernwood and Southwood, the Council has recently marketed for sale three small infill sites which were previously occupied by electricity pylons. The sites have been marketed as seven individual development plots, for sale either individually or in groups. Prior to the most recent marketing exercise, sales of three of these sites have been agreed by the Council, with the sales of two of these sites having now been completed. As the value of these individual plots falls below the £150,000 as set out above, the sales have been agreed by way of delegated authority.
7. The details of the remaining individual building plots are as follows:-
 - 68A Southwood – 420 sq m
 - 69A Southwood – 552 sq m
 - 1B Fernwood – 563 sq m
 - 1C Fernwood – 465 sq m
8. The Rosebay Close land has recently been marketed for sale, and the remaining unsold plots at Fernwood and Southwood were marketed at the same time. This was conducted both by an advertising exercise, and by making direct contact with national and regional residential development companies. A development brief and tender documentation was supplied to these interested parties, to enable them to make their bids.

APPRAISAL OF OFFERS

9. The closing date for receipt of tenders was Tuesday 1st November 2011. The offers that were received are set out in Part B of this Executive Report.
10. As a result of the tendering exercise, two bids were received. The bid from Bidder A related to the purchase of one plot only, and stated that 1C Fernwood was their preferred option. The bid from Bidder B related to the Rosebay Close land, and also included an offer for the plots at Fernwood and Southwood.
11. Following consideration of the offers, approval is being sought for delegated authority to sell 1C Fernwood to Bidder A, whilst the three remaining plots at Fernwood and Southwood, together with the Rosebay Close land, can be sold to bidder B.
12. The bids received enable the Council to proceed with the sale of all of the land at Rosebay Close, Fernwood and Southwood.

IMPACT ASSESSMENT (IA)

13. As part of the development of the recommendations, an Impact Assessment was completed. The assessment found that there would be no adverse impact on a group or groups because they held a diversity characteristic. The completed IA is appended to this report at Appendix B.

OPTION APPRAISAL/RISK ASSESSMENT

14. The options open to the Council are:-

Option 1 – dispose of the land to the two interested parties that the Council identifies as preferred bidder

Or option 2 – do not sell but this decision would have to be justified in the context of non delivery of the Council's regeneration aims in relation to Housing and should only be considered if the bid does not give best consideration in terms of value and planning quality.

FINANCIAL, LEGAL AND WARD IMPLICATIONS

Financial

15. The sale of the site will produce a capital receipt to the Council.

Ward Implications

16. The development of the land at Rosebay Close will provide additional housing development for Coulby Newham and provide additional quality family housing for sale. The sale of the four individual plots at Fernwood and Southwood will complete the scheme to develop the infill sites left by the removal of the former electricity pylons.
17. The development of the site will be subject to extensive local consultation with the community by the developers as part of the planning process.

Legal Implications

18. Compliance with the Public Contracts Regulations requires that a statutory standstill period of 15 days be held following the notification of the intended award being sent to all bidders. This is to enable unsuccessful bidders the opportunity to seek clarification and if they wish to make a formal challenge with regard to the outcome of the tender process.
19. On completion of the standstill period and when all issues raised by unsuccessful bidders have been resolved, the contract exchange can be concluded following the normal legal conveyancing procedures.

RECOMMENDATIONS

20. It is recommended that the Executive approves that the land at Rosebay Close, together with the remaining three plots at Fernwood and Southwood, be sold to Bidder B (the sale of the other plots at Fernwood and Southwood having been dealt with by way of delegated authority).

REASONS

21. In order to secure a capital receipt from the sale of the surplus land which will be reinvested back into the Council's capital programme.

BACKGROUND PAPERS

22. The following background papers were used in the preparation of this report:

Middlesbrough Local Development Framework.

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