

# MIDDLESBROUGH COUNCIL

## EXECUTIVE SUB COMMITTEE FOR PROPERTY

**Nunthorpe Hall Farm and Blacksmith's Yard Development Guidance: Consultation update**

**Executive Member for Regeneration– Councillor Charles Rooney**

**Executive Director of Economic Development and Communities – Kevin Parkes**

**27<sup>th</sup> February 2015**

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### PURPOSE OF THE REPORT

1. This report provides the Executive Sub Committee for Property with an update on the recent public consultation on the Nunthorpe Hall Farm and Blacksmith's Yard Development Guidance. The report gives an overview of the previous reports to the Committee on the disposal of both the Farm Buildings and West Side (the premises around the Blacksmith's Yard) to the west of the Farm; and provides details of the consultation responses.

### SUMMARY OF RECOMMENDATIONS

2. It is recommended that Executive Sub Committee for Property:
  - a) notes the consultation replies and associated responses to each, as set out in in paragraph 15 and Appendix C;
  - b) endorses the Nunthorpe Hall Farm and Blacksmith's Yard Development Guidance Development Guidance as prepared by the North of England Civic Trust (attached); and
  - c) approves that the Director of Commercial and Corporate Services commences the marketing for the sale of Nunthorpe Hall Farm and Blacksmith's Yard, having full regard to the Development Guidance.

### 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

## **BACKGROUND AND EXTERNAL CONSULTATION**

5. On 4<sup>th</sup> April 2012, the Executive Sub Committee for Property considered a report on the 'Review of Non-Strategic Assets' on the ongoing review of the Council's non-strategic assets and arrangements for disposals of land and property. The report outlined that the Council had established a programme with Mouchel, to jointly explore the transformation of services under the scope of the existing partnership contract. The programme comprised three projects, one being a comprehensive review of the Council's non-strategic property assets.
6. The Executive Sub-Committee for Property noted the objectives, governance and timescales of the Review of Non-Strategic Assets and considered and approved the proposed disposal process. This included securing an agreed reserve price; as set out in each of the detailed business cases. This was to ensure that the Council secured maximum value from its asset portfolio and that agreed sums for disposal were achieved as quickly as possible. The Sub Committee also agreed that appropriate briefings would be undertaken to support the disposal process and would involve briefing the Ward Members and / or the general public.
7. Also on 4<sup>th</sup> April 2012, an additional report entitled 'Review of Non-Strategic Assets' – First Phase Disposals (Part A) was presented to the Sub Committee. This proposed a number of small, first phase of advantageous disposals under the findings of a review of Agricultural Property. It was agreed that Nunthorpe Hall Farm (amongst other sites) which was a tenanted farm, was to be disposed of, for residential development (See location plan at Appendix A). The detail of the reserve price was contained within the confidential Part B of the report.
8. A report taken to the Executive Sub Committee for Property on 29<sup>th</sup> July 2013 entitled 'Review of Non-Strategic Assets – Second Phase Disposals – Part A, proposed a second phase of disposals for consideration at a reserved price (which was contained within the confidential Part B of the report). The Sub Committee approved the disposal of the Council-owned, commercially let properties at West Side<sup>1</sup> in Nunthorpe Village for housing, subject to planning permission. West Side is a range of buildings at the northern end of the Village, which were originally part of the Nunthorpe Hall Estate. The buildings at this location are leased, principally as workshops, and for garage and storage use.

### **Development guidance**

9. Following the decisions by the Executive Sub Committee it was decided that, as both sites are in the Nunthorpe & Poole Conservation Area and contain historic buildings, the Council should commission the North of England Civic Trust (NECT) to prepare development guidance to take account of their development potential in the light of an understanding of the heritage significance. It is critical

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<sup>1</sup> Citations to West Side throughout the report refer to the Council-owned commercially let properties around the Blacksmith's Yard rather than the residential properties to the south of this site.

that any disposal and development respects and enhances the character of the buildings and the area.

10. The aim of the brief for the Development Guidance was to:

“...study, evaluate and present the historic environment and other planning issues generated by the potential disposal for redevelopment of buildings and land at Nunthorpe Hall Farm and West Side, Nunthorpe.”

11. The study addressed three themes

- a) **Understanding:** gathering an understanding of the heritage assets on the site, including buildings and land, through site survey and desk-based research.
- b) **Significance:** evaluating what is significant (and what is not) to assist with future planning and development discussions.
- c) **Managing Change:** testing new development opportunities on the site, in both buildings and land, considering different scales of development including re-using existing buildings, extension and adaptation, and new build.

12. These themes follow recognised conservation planning practice, i.e. the process of actively managing change to a heritage asset in order to protect what makes it significant.

13. The NECT liaised with the tenant farmer and family at Nunthorpe Hall Farm and tenants at the Blacksmith's Yard during the preparation of the Development Guidance.

14. Following the production of the Development Guidance (attached at Appendix E) by the NECT, the Council undertook a four week public consultation on the document. This process exceeds the statutory requirements and was agreed in conjunction with the Nunthorpe Ward Councillors, due to the conservation significance of the buildings and their surroundings. The consultation began on 29<sup>th</sup> September 2014 and ended on 24<sup>th</sup> October 2014. The consultation consisted of the following:

- a) letters hand delivered to 150 properties in the vicinity advising of consultation – including Nunthorpe Village, Grey Towers Hall, Grey Towers Gardens, Wyke Lane and Collingham Drive;
- b) Development Guidance and consultation forms available from Council website;
- c) Wednesday 1st Oct, officer and NECT presentation to Nunthorpe Parish Council;
- d) Tuesday 7th Oct, officer attendance at coffee morning, Nunthorpe Methodist Church;
- e) Tuesday 14th Oct, officer and NECT attendance at drop in event St Mary's Church, Church Lane; and,

- f) Tuesday 21<sup>st</sup> Oct, officer and NECT presentation to Nunthorpe Community Council (special meeting for NHF Development Guidance consultation).

15. A total of eleven responses were received, these are attached at Appendix C. Two responses from residents of Nunthorpe Village (emanating from the same property) were opposed to any development of the sites. Nine other responses, including those from the Nunthorpe Ward Councillors, were conditional upon various factors that should be considered / implemented should the sites be developed. Three of the eleven responses came from residents of Nunthorpe Village. The main issues that were raised were as follows;

- a) **Access-** concerns were raised that access to the farm was inadequate and could be dangerous

**Response:** The Council's Highways and Transportation Services Section has been consulted on the Development Guidance, and has no objection, in principle, to vehicular and pedestrian access to the Farm site being gained via the current access point on Old Stokesley Road. The guidance states that there is scope to improve the visibility splays at the access point, which are constrained by the existing boundary wall to the north and overgrown vegetation to the south. An automatic traffic count carried out between 28th June and 18th July 2010 at a point approximately 150 metres north of the farm access recorded an average vehicle speed of 29 mph. The minimum required visibility splay will be 2 x 33 metres, which can be achieved, although works will be required to accommodate this. There will also be a need to dedicate a small area of land in the vicinity of the vehicular access point for highway use to ensure that all of the area within each of the visibility splays is under the direct control of the Council as Highway Authority, thereby ensuring that the visibility splays can be maintained in the future.

- b) **Parking** – it was suggested that insufficient spaces were provided for any new dwellings and that parking was already a problem in the village.

**Response:** The number of dwellings/garages suggested by the NECT is based on what can reasonably be accommodated within the site. The Development Guidance suggests a **maximum** of 20 dwellings, with a proposed combination of dwellings and garages, the latter of which are to be used by new residents to park their cars. It will be up to the developer to determine an appropriate number of dwellings/garages as part of any planning application, along with a justification as to how this figure has been reached. The guidance set out in the Tees Valley Design Guide and Specification will need to be considered as part of this process.

- c) **Traffic** – potential for an increase of traffic to add to the 'Marton Crawl'

**Response:** Given the size of the site and the potential number of dwellings, the impact of any additional traffic generated by the development is unlikely to have a significant detrimental impact on the operation of the surrounding road

network, including the A172 Marton Road/Stokesley Road/Dixons Bank Corridor; particularly as a number of the new residents may already be using these routes.

The Council has already been successful in securing developer contributions in excess of £3.5 million towards the cost of improvements to the local road network to mitigate the impact of traffic generated by the Grey Towers Village development; with the first of these improvements likely to be in place by 2016. The recent adoption of the Council's Local Plan – Housing (2014), identifies the residential areas to be developed within Middlesbrough over the period up to 2029. Work is currently underway to build a traffic model in order both to establish the impact of traffic associated with these new dwellings on the road network in the south of the Borough and to identify and prioritise highway improvements designed to mitigate this impact. Traffic generated by the development of Nunthorpe Hall Farm will be taken into account as part of this process.

- d) **Building conservation / character of area** – comments that Nunthorpe Village is only hamlet remaining in the town and should be left that way. Any new building must be constructed of materials that match and are sympathetic with original buildings protecting the overall appearance of the area.

**Response:** securing the future of the buildings will ensure that important heritage assets are protected and are not left to decline. The current tenant farmer wishes to relocate his farm from the existing site. This could have meant that the buildings were vacant and could have fallen into disrepair. Vacant buildings could have meant a lack of surveillance and security. The development is considered to respect the character of the village.

- e) **Further \ over development of area** – concern that developers could build in the Walled Garden. Also, that future development is planned for agricultural land behind Westside.

**Response:** The Development Guidance states there is no opportunity for new development within the Walled Garden without fundamentally harming its special interest as an open green space surrounded by brick walls tied historically to the designed landscape of Nunthorpe Hall.

- f) **Environmental conservation** – comments that biodiversity issues need to be addressed and the bat population needs protecting.

**Response:** this would need to be addressed by a developer as part of any planning application.

## English Heritage

16. Due to the heritage significance of the buildings in relation to the Grade II listed Nunthorpe Hall to the south of the site; English Heritage was consulted on the development guidance. English Heritage welcomed the move to develop documents that will inform and guide future works to this site and thought it

refreshing to see such a proactive approach to the conservation of historic assets. The suggestions for alterations and possible new development offer a positive way forward; not too restrictive whilst also clearly articulating those features that need to be kept to preserve the character and appearance of the area.

### **Summary of responses**

17. Whilst the comments above raise potential issues with proceeding with the development of this site, it is not believed that these are insurmountable. Only eleven representations were received following the extensive consultation exercise that was undertaken as detailed at paragraph 15. The Development Guidance provides responses to some of the representations received, whilst other issues will need to be addressed as part of any planning application and in discussion with the developer for the sites. It is, therefore, recommended that the sale of these sites proceed and are marketed taking into account the Development Guidance.
18. In marketing the site, strong emphasis will be placed in the scoring of bids on ensuring that the right quality of development is obtained, having full regard to the recommendations in the Development Guidance. This is crucially important due to the location of the sites within the Nunthorpe and Poole Conservation area.

### **Access \ Rights of way**

19. The road which runs through the farm is not owned by the Council, thus any development will be subject to any existing rights of way over that road. However, the Development Guidance proposals have sought to preserve this. Additionally on the farm yard, the land is subject to a right of way in favour of Nessfield Retirement Home Limited. The right of way is limited to access for emergency services and would need to be resolved in the course of the planning process.
20. At West Side, a formal right of way over the yard has been granted to the current Farm tenants, which will run until such time as an alternative access is provided at the southern end of the row of cottages.
21. There is potential that other occupiers of West Side, and/or members of the public may have acquired a right of way over the West Side yard, in order to access the backs of the houses due to the number of years it has been in use by residents and others. However, the Development Guidance proposals have sought to preserve this. It would be up to a developer to address this as part of the development process.

### **Substation relocation**

22. Officers have held preliminary discussions with NEDL regarding the future of the substation, which is currently housed in a building in the Blacksmith's Yard. However, any decision regarding the possible relocation of the substation or the potential renewal of the lease is likely to be left between NEDL and the developer/buyer subject to the exact requirements of any new development.

## **Affordable Housing**

23. The Council recently adopted the Local Plan Housing Review (2014). As detailed in this document, there is a requirement that housing developments of five or more dwellings within Nunthorpe will be required to provide a 15% affordable housing contribution. On sites under 30 dwellings, the affordable housing requirement shall be provided as an offsite financial contribution to fund affordable housing within regeneration sites.
24. The NECT Development Guidance suggests a maximum of 20 dwellings, in total, across the Nunthorpe Hall Farm site and the Blacksmith's Yard. Thus, there will be a requirement for 15% affordable housing to be provided off site. Therefore, in order to fulfil the Council's affordable housing commitments, 15% of the net capital receipt from the sale of the sites will be used by the Council to supply this.

## **IMPACT ASSESSMENT**

25. An initial screening assessment has been completed to determine whether there would be any negative impacts as a result of the recommendation that the Executive endorse the Development Guidance. The initial screening assessment shows there would not be any negative impacts and is attached as Appendix D.

## **OPTION APPRAISAL / RISK ASSESSMENT**

26. Given the Council's financial position it is vital to assess its use of assets and maximise the value it receives. There are risks associated with this, including disposing at a time when property values are low, and of disposing of assets that might have a higher value longer term. It is also self-evident those assets can only be sold once, and that the Council has a responsibility not to leave a legacy of an inadequate asset base.
27. However, these factors have previously been discussed and a decision has been taken by the Executive Sub Committee for Property to dispose of Nunthorpe Hall Farm and of the Council-owned commercially let properties at West Side for residential use. The tenant farmer has indicated that that he wishes to relocate and an agreement has been signed with him to vacate the site by November 2016 at the latest.
28. The Council's tenants at West Side are aware of the proposals and will be kept updated as matters progress. Should it be required, the Council would try to relocate the tenants to alternative Council premises elsewhere and any suitable alternative accommodation if available.
29. There are two options available to the Council :
  - a) as previously approved, endorse the Development Guidance, prepared by Historic Environment professionals and dispose of the two sites. This will produce a capital receipt and will be used by the Council to repay or avoid capital borrowing and so improve the Council's revenue position by avoiding interest payments. Development will also secure the future of these important

buildings rather than potentially leaving them vacant and the Council with ongoing maintenance costs; or

b) to not endorse the Development Guidance as prepared by the NECT and to not progress with the sale of the two sites. Potentially leaving both sites vacant which would be contrary to the Council's Review of Non-Strategic Assets.

30. In recognition of the issues highlighted above and the fact that the Executive Sub Committee previously approved the disposal of these sites as part of the Council's Review of Non-Strategic Assets, it is recommended that the Development Guidance is endorsed and the sale of the sites is progressed.

## **FINANCIAL, LEGAL AND WARD IMPLICATIONS**

31. Financial implications – the sale of the sites will mean a capital receipt will be received by the Council. This will be used by the Council to repay or avoid capital borrowing and so improve the Council's revenue position by offsetting interest payments. There will also be an increase in Council Tax and New Homes Bonus due to the Council. There will be a loss of rental income of £8,300 p.a from the sale of the four West Side properties, as well as a loss of rental income of £1,000 p.a from the sale of the farm.

32. Legal implications – there are no direct legal implications from this report, although the issue of the substation relocation will need to be addressed.

33. Ward implications – should the sites be sold, there is potential for residential development in Nunthorpe Village. The Nunthorpe Ward Councillors have been consulted throughout the process, were involved in the consultation events and have submitted a consultation response which is attached at Appendix C.

## **RECOMMENDATIONS**

34. It is recommended that Executive Sub Committee for Property:

- a) notes the consultation replies and associated responses to each, as set out in in paragraph 15 and Appendix C;
- b) endorses the Nunthorpe Hall Farm and Blacksmith's Yard Development Guidance Development Guidance as prepared by the North of England Civic Trust (attached); and
- c) approves that the Director of Commercial and Corporate Services commences the marketing for the sale of Nunthorpe Hall Farm and Blacksmith's Yard, having full regard to the Development Guidance.

## **REASONS**

35. The above recommendations are supported by the following reason;

- a) to progress with the Council's Review of Non-Strategic Assets, which will help to improve the Council's revenue position and secure the issue of existing buildings located within the setting of a listed building.



## **BACKGROUND PAPERS**

1. Executive Sub Committee for Property 'Review of Non-Strategic Assets' - 4 April 2012
2. Executive Sub Committee for Property Part A Review of Non-Strategic Assets – First phase disposals 4 April 2012
3. Executive Sub Committee for Property Part B Review of Non-Strategic Assets – First phase disposals - 4 April 2012 (CONFIDENTIAL - Not for publication pursuant to paragraph 3 of schedule 12A of the Local Government Act 1972 )
4. Executive Sub Committee for Property Part A Review of Non-Strategic Assets – Second phase disposals- 29 July 2013
5. Executive Sub Committee for Property Part B Review of Non-Strategic Assets – Second phase disposals -29 July 2013 (CONFIDENTIAL -Not for publication pursuant to paragraph 3 of schedule 12A of the Local Government Act 1972)

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