

MIDDLESBROUGH COUNCIL

EXECUTIVE REPORT

PART A

Blacksmith's Yard, Nunthorpe Village

Deputy Mayor and Executive Member for Regeneration: Charles Rooney

Executive Director for Commercial & Corporate Services: Tony Parkinson

Date 16th December 2015

PURPOSE OF THE REPORT

1. The purpose of this report is to obtain approval from the Executive for the terms of sale of a property known as "Blacksmith's Yard", located in Nunthorpe Village.

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.

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

It is over the financial threshold (£150,000)

It has a significant impact on 2 or more wards

Non Key

DECISION IMPLEMENTATION DEADLINE

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

Non-urgent

Urgent report

BACKGROUND AND EXTERNAL CONSULTATION

4. The Blacksmith's Yard is a small grouping of buildings arranged around a central courtyard (see Appendix A). The buildings are currently occupied by a total of four businesses by way of short term agreements. The occupiers are aware of the proposals for redevelopment and the sale is subject to their occupation. The Council has marketed the Blacksmith's Yard at Westside, Nunthorpe Village, for sale on the open market. This marketing has been undertaken in conjunction with the farm buildings on Nunthorpe Hall Farm, which stand on the other side of the road through Nunthorpe Village.
5. Prior to marketing taking place, a consultation process was undertaken with residents of the area, to gain their views on the proposals. The expectation is that, once sold, the new owners will convert the property to residential use.

6. The property stands in a conservation area, which means that controls exist in respect of the external appearance of the buildings. The property is not listed, but it is included on the local list that Middlesbrough Council prepares of buildings of architectural or historic interest.
7. The Council commissioned the North of England Conservation Trust to produce detailed guidance regarding the conversion of the properties. In respect of Blacksmith's Yard, this guidance states that up to three dwellings could be created within the conversion.
8. The disposal of the asset was identified under the "Non-Strategic Asset Review", which was part of the Change Programme.

APPRAISAL OF OFFERS

9. The tender procedure was conducted on the basis that it would be for the Council to determine which bid it wished to proceed with. However, the Council did determine that it would look in the first instance at the highest bid received, providing that bid proved also appeared suitable in planning terms.
10. The closing date for receipt of tenders was Friday, 2nd October 2015. As a result of the tendering exercise, five bids were received.
11. The best bid from a financial point of view is considered to be the one from Bidder D. In financial terms, the bid exceeds the reserve price set as part of the NSAR (Non-Strategic Asset Review) process. The Council's planning department has looked at the plans provided by Bidder D and a meeting has taken place on site between the potential purchaser and the Council's conservation officer. The purchaser intends to convert the building to three dwellings in line with the guidance provided, and to maintain the external appearance of the buildings. The planning department therefore considers that the proposals are generally acceptable, subject to the grant of detailed planning permission.
12. It is therefore considered that Bidder D should be identified as preferred bidder.

IMPACT ASSESSMENT

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

There are several options available to the Council:

14. The option open to the Council is -

Option 1 – dispose of the site to the party that the Council identifies as preferred bidder. The property was identified for disposal as part of the Non-Strategic Asset Review (NSAR) and the agreed reserve has been achieved.

FINANCIAL, LEGAL AND WARD IMPLICATIONS

Financial

15. The sale of the Blacksmith's Yard will produce a capital receipt to the Council. The sum quoted exceeds the reserve price under NSAR.

Ward Implications

16. The conversion of the property will provide high-quality dwellings within the village of Nunthorpe.

17. The development of the site will be subject to the grant of detailed planning permission for the development.

18. Ward Councillors have been made aware of this report and given the opportunity to be briefed as required.

Legal Implications

19. The contract exchange and completion of the sale will be concluded following the normal legal conveyancing procedures.

RECOMMENDATIONS

20. That Executive approves:

- That the Blacksmith's Yard is sold to Bidder D, on the terms that they have offered.

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

No Papers were used.

CONTACT OFFICER: Martin Shepherd

TEL NO: 01642 729172

Address:

Website: <http://www.middlesbrough.gov.uk>