

MIDDLESBROUGH COUNCIL

EXECUTIVE SUB-COMMITTEE FOR PROPERTY

**LAND ADJACENT 234 LINTHORPE ROAD, MIDDLESBROUGH TS1 3QP
PROPOSED FREEHOLD SALE – PART A**

Executive Member for Regeneration: Councillor Charles Rooney

Executive Director of Commercial and Corporate Services: Tony Parkinson

Date: 16th December 2015

PURPOSE OF THE REPORT

1. The purpose of the report is to consider the proposal to dispose of the Council's freehold interest in land situated at Linthorpe Road, and seek approval to proceed with the sale of the subject site in accordance with the report's recommendations.

SUMMARY OF RECOMMENDATIONS

2. To proceed with the disposal of the subject site to the highest bidder, as outlined in Part B of this report.
3. That the proposed disposal should be taken forward with the second ranked bidder if the highest bidder does not, or cannot, proceed for any reason.

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

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

X

DECISION IMPLEMENTATION DEADLINE

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

Non-urgent
Urgent report

X

BACKGROUND

6. Situated on the junction of Linthorpe Road and Victoria Road, the subject parcel of land is located within a mixed commercial, retail and residential area of the town. With proximity to both Teesside University and Albert Park, the site also lies within walking distance of the town centre.
7. Shown edged on the plan attached, the subject parcel of land measures 305 Sqm [0.08 Acres] and comprises a vacant corner plot with frontage to both Linthorpe Road and Victoria Road. The site is currently used informally as a small park, and is located between a fully let shopping parade, a public house and a multi-storey student accommodation scheme.
8. Whilst not currently designated for any specific purpose or planning use, the subject parcel of land has the potential for change to a number of future uses in planning terms.
9. Having been deemed by the Council to be surplus to operational requirements, the subject parcel of land was marketed in local, regional, national and digital media during September and October 2015.
10. The Council received a total of 12 tender submissions in response to the formal marketing exercise, with the highest ranked bid (based on price) submitted on an unconditional basis – for the purpose of creating a mixed development comprising retail, commercial and residential uses. The bid has been submitted by a local developer well known to the Council, with experience of bringing schemes forward in the town and a reputation for successful project delivery.
11. In terms of price, the bidder's offer exceeds the guide price that was sought, the Council's NSAR reserve price and also the figure listed on the Council's asset register.
12. From a design and planning perspective, the bidder's proposal has been formulated via pro-active consultation with the Council's Planning and Highways Teams. Both teams are supportive of the mixed development scheme that has been tabled, and advise that the design proposed is acceptable in principle – subject to the working through of further detail.
13. From a legal perspective, the bidder has confirmed that their offer is unconditional and that they intend to fund the acquisition via capital reserves.

14. The second ranked bid has been submitted by a similarly reputable local developer with a track record of successful delivery. The bidder has submitted a compliant bid and engaged the Council fully throughout this specific tender process.
15. The proposal that has been tabled by the second ranked bidder is similar in mass, use and scale to the scheme put forward by the highest bidder. The Council's Planning and Highways Teams are similarly supportive of this mixed development scheme, and advise that the design proposed is acceptable in principle – subject to the working through of further detail.
16. The remaining 10 bids are significantly lower in value than the 2 outlined above, and should in theory only need to be considered if either of the bids submitted by the 2 highest ranked bidders do not, or cannot, proceed for any reason.

IMPACT ASSESSMENT (IA)

17. A Level 1 (Initial Screening) Impact Assessment (IA) accompanies this report in Appendix 1.
18. The impact assessment identified that the proposal would have a positive impact on the local community as it would make it more likely that the parcel of land, which is currently unused and surplus to Council needs, was brought back into a more beneficial future use.
19. The impact assessment undertaken found that there were no concerns that the proposal could have an adverse impact. In addition, the Council's development control planning process would also serve to ensure that any future use proposed would be appropriate for the local area.

OPTION APPRAISAL/RISK ASSESSMENT

20. **Option 1:** To reuse the parcel of land for another purpose - no Council operational requirement has been identified.
21. **Option 2:** To proceed with the sale of the parcel of land in accordance with the recommendations made in this report – in order to meet the Council's requirement to generate capital receipts, and bring the parcel of land into a far more beneficial use in the future.
22. **Option 3:** Do nothing – the land would remain in its present state. Whilst it would be retained for potential future Council use, the liability and responsibility for maintaining and holding the land would remain with the Council in the interim.

FINANCIAL, LEGAL AND WARD IMPLICATIONS

23. **Financial** – The Council would receive a substantial capital receipt plus fees, without the need to incur any further marketing costs.
24. The highest bidder has submitted a compliant unconditional bid with payment of a non-refundable deposit of 10% offered on exchange of contracts, with the balance sum of 90% to follow upon legal completion
25. Therefore, with regard to the above, the offer submitted by the highest bidder represents best consideration having been generated by way of an open market informal tender process.
26. **Legal** – There are no unusual legal implications arising from the proposed disposal.
27. **Ward** – The property is situated in Central Ward and the respective Ward Members have been consulted on the potential to dispose of the property. Members will also be consulted on any subsequent proposal as part of the normal planning process.

RECOMMENDATIONS

28. To proceed with the disposal of the subject site to the highest bidder, as outlined in Part B of this report.
29. That the proposed disposal should be taken forward with the second ranked bidder if the highest bidder does not, or cannot, proceed for any reason

REASON

30. This will result in the disposal of a surplus parcel of land in return for a capital receipt to the Council and assist in the regeneration and enhancement of the local area.

BACKGROUND PAPERS

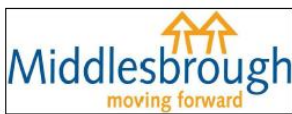
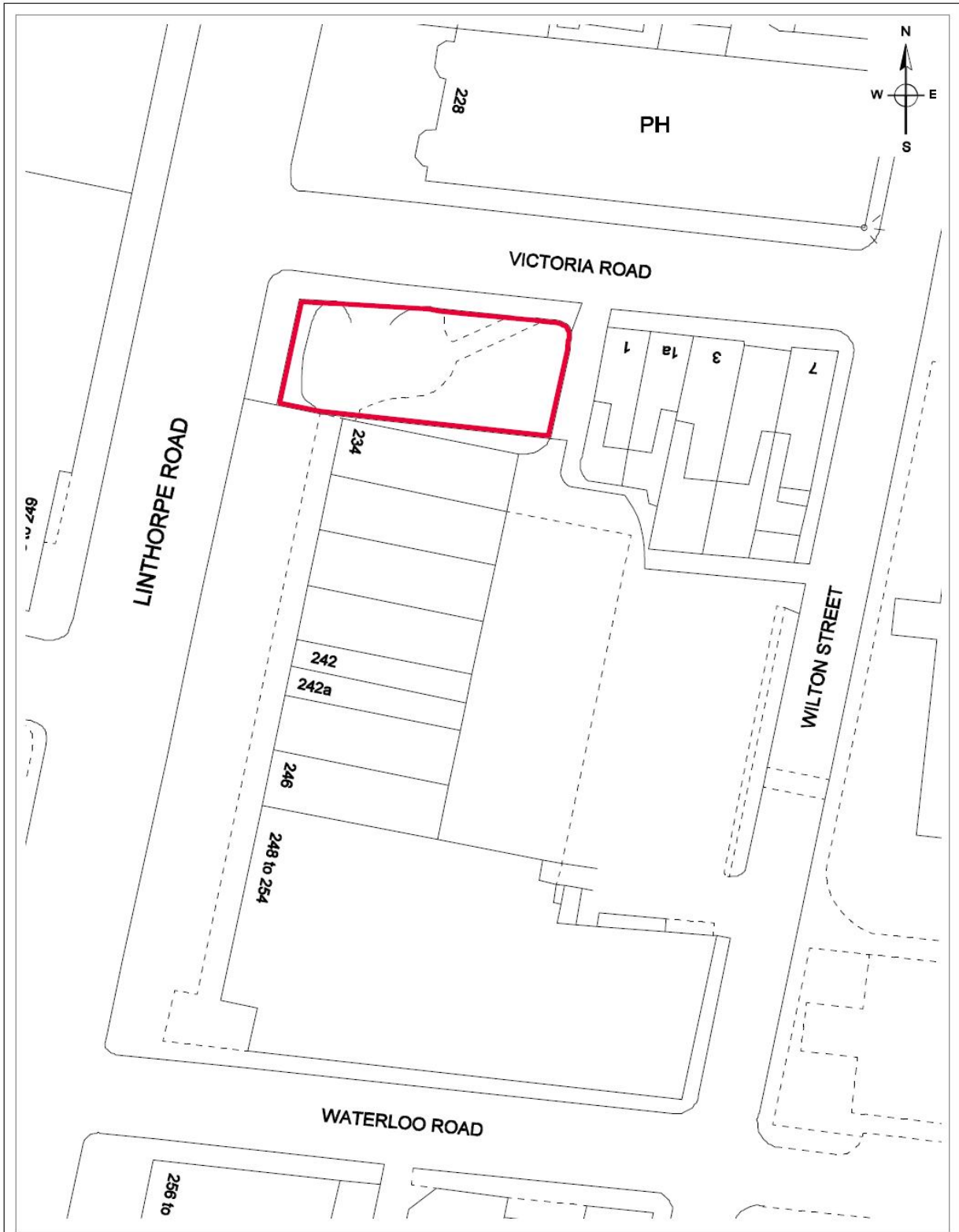
No background papers were used in the preparation of this report

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TIM WAKE VALUATION & ESTATES

LAND ADJACENT TO
234 LINTHORPE ROAD
MIDDLESBROUGH

Scale: 1:500

Date: 24th FEBRUARY 14

Drawn: JMS

Drg No: VAL 5348

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Appendix 1 - Impact Assessment Level 1: Initial screening assessment

Subject of assessment:	Disposal of the Council's freehold interest in land adjacent to 234 Linthorpe Road			
Coverage:	Service specific			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input type="checkbox"/> Service	<input type="checkbox"/> Function
	<input type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input type="checkbox"/> Review
	<input type="checkbox"/> Organisational change	<input checked="" type="checkbox"/> Other (please state) Asset management		
It is a:	New approach:	<input checked="" type="checkbox"/>	Revision of an existing approach:	<input type="checkbox"/>
It is driven by:	Legislation:	<input type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>
Description:	<p>Key aims, objectives and activities To assess the impact of the proposal to dispose of Council property deemed to be surplus to operational requirements.</p> <p>Statutory drivers (set out exact reference) The Local Government Act 1972 Section 123, as amended by the Local Government Planning and Land Act 1980 Section 118 Schedule 23 Part V.</p> <p>Differences from any previous approach Formerly used by the Council as a small informal park, the subject site is not used for any specific purpose, or service. Future use would be for a mixed development comprising retail, commercial and residential purposes.</p> <p>Key stakeholders and intended beneficiaries (internal and external as appropriate) The Council, preferred bidder and the local community.</p> <p>Intended outcomes The proposed disposal of the subject site would:</p> <ul style="list-style-type: none"> • generate a significant capital receipt for the Council; • create new jobs within the borough; • remove the Council's liability for future holding costs, responsibility for, and maintenance of the property; • help stimulate further development in the local area, and bring the subject parcel of land back into a more positive future use. 			
Live date:	Monday 09 th November 2015.			
Lifespan:	Not applicable.			
Date of next review:	Not applicable.			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
<p>Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?*</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>It is considered that the disposal of the subject premises will not impact negatively on individual human rights as the proposal represents a significant and positive enhancement for the local and wider area, which outweighs the loss of the parcel of land. This assessment has been made taking into account:</p> <ul style="list-style-type: none"> the fact that the land is currently vacant and not required for any specific purpose by the Council; the new jobs that future re-use of the land will create; the potential for this proposal to stimulate further economic development within the borough, and the previous recorded incidences of anti-social behaviour that resulted in the council having to remove facilities from the subject site.
<p>Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?*</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The Council has a duty to consider the impact of the proposed decision on relevant protected characteristics, to ensure it has due regard to the public sector equality duty. Therefore, in the process of taking decisions, the duty requires the Council to have due regard to the need to:</p> <ol style="list-style-type: none"> eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it. <p>Consideration of this duty has shaped the proposals.</p> <p>The land is currently vacant and fulfils no specific function, purpose or service. In accordance with this position, access to and delivery of Council services will not be affected by the proposed disposal.</p> <p>Due to the subject parcel of land being located within close proximity to the areas of open space and parkland provided by the University Campus, Albert Park and also Ayresome Gardens, it is considered that the proposal will not have a disproportionate adverse impact on a group, or individuals, because they hold a protected characteristic.</p> <p>Evidence used to inform this assessment includes engagement to date with relevant Council departmental teams and the proposed purchaser, together with analysis of the terms and conditions that will be incorporated within the proposed sale.</p>

* Consult the Impact Assessment further guidance appendix for details on the issues covered by each of these broad questions prior to completion.

Screening questions	Response			Evidence
<p>Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?*</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>There are no concerns that the proposal could have an adverse impact on community cohesion.</p> <p>Evidence used to inform this impact assessment includes the potential for bringing this land back into a far more beneficial future use than that is being provided under the current ownership and management arrangement, and also the context of trying to transform a parcel of land that has been the subject of anti-social behaviour in the past.</p>
<p>Middlesbrough 2020 – Our Vision Could the decision impact negatively on the achievement of the vision for Middlesbrough?*</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The disposal of the land adjacent 234 Linthorpe Road is intended to facilitate regeneration, and as such, it is considered that it will contribute <i>positively</i> towards the Middlesbrough 2020 Vision, specifically in respect of Aim 2 ('a learning town, in which families and communities thrive), where one of the priorities is for more people to be working. This assessment has been made taking into account the new jobs that will be created in the Borough by bringing this property back into a far more beneficial future use.</p>
<p>Organisational management / Change Programme Could the decision impact negatively on organisational management or the transformation of the Council's services as set out in its Change Programme?*</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>No tangible relationship between the disposal of the land and the organisational management of the Council, or the transformation of its services (as set out in its Change programme), have been identified.</p>
<p>Next steps:</p> <p>➡ If the answer to all of the above screening questions is No then the process is completed.</p> <p>➡ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed.</p>				

Assessment completed by:	David Velemir	Head of Service:	Tom Punton
Date:	09/11/2015	Date:	09/11/2015