

MIDDLESBROUGH COUNCIL



Executive Sub-Committee for Property

Report title	<i>The Disposal of Land North of Marton Avenue</i>	
Executive Member*	<i>Nicky Walker - Executive Member for Finance and Governance</i>	
Chief Executive or Director	<i>James Bromiley - Strategic Director of Finance, Governance and Support</i>	
Date	<i>21st February 2018</i>	
Purpose of the report	<i>To seek approval to commence disposal and marketing of the sites(s), land North of Marton Avenue, for housing development</i>	
Summary of the report	<i>The report provides the case for disposal of the land, which is predominantly allocated in the Housing Local Plan, for residential use. The report highlights how disposal will support the Medium Term Financial Plan and support housing market demand in South Middlesbrough.</i>	
If this is a key decision, which key decision test applies?*	Over the financial threshold (£150,000)	X
	Amends the Council's policy framework	
	Affects two or more wards	
	Non-key	X
For the purposes of scrutiny call in procedure this report is*	Exempt under s.12a Local Government Act 1972	
	Urgent	
	Non-urgent	X
If this is a confidential report, which exemption(s) from the Schedule 12a of the Local Government Act 1972 applies?	<i>No</i>	
Decision(s) asked for	<i>That Executive approves the site (Part A and Part B - as Appendix A) for disposal and marketing, enabling the site to become a residential development with up to 72 dwellings.</i>	
Impact of decision(s)	<i>The decision to dispose and market the site will result in the land being used for residential development and will result in financial gain for Middlesbrough Council via Capital Receipt, Council Tax and New Homes Bonus.</i>	
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What is the purpose of this report?

1. The report sets out the case for Executive to approve the site (Part A and Part B - as Appendix A) for disposal and marketing, enabling a residential development with up to 72 dwellings.

Why is this report necessary?

2. A decision for the disposal and marketing of this site is necessary as Middlesbrough Council is seeking to dispose of a land asset. The subsequent Capital Receipt, Council Tax and New Homes Bonus would assist the Council's MTFP.
3. The report has been brought to Middlesbrough Council's Executive Property Sub Committee as the value exceeds the financial threshold of £150, 000.

What decision(s) are being asked for?

4. That Executive approves the site (Part A and Part B) for disposal and marketing, enabling the site to become a residential development with up to 72 dwellings.

Why is this being recommended?;

Location and Context

5. The site known as land North of Marton Avenue has been predominantly allocated in the Housing Local Plan for residential use. Located off Ladgate Lane (B1380), situated at the northern end of Marton Avenue, the site is a vacant, 2.14 hectare (ha) Council owned site. With an additional 0.76 hectares (ha) of unallocated land available, the site has a gross development area of approximately 2.9 hectares (ha).
6. The surrounding area is a mix of residential development and open space. The site forms part of an area known locally as Prissick, which contains Middlesbrough Sports Village and a number of recently developed residential sites (e.g. Scholars Rise and Ladgate Park).
7. Marton Avenue lies to the south of the site and is host to an established housing stock consisting of 1920's detached and semi-detached dwellings. Stewart Park, covering over 120 acres of land, is located across Ladgate Lane to the south of the site. The site is bounded to the east by the Esk Valley, (Middlesbrough-Whitby) railway line and trees run along the north eastern site boundary that adjoins the railway line.
8. Ladgate Lane is a main road that links to Marton Road (A172) to the west and Cargo Fleet Lane (A171) to the east. The site is situated in close proximity to a main bus route, with bus stops close to the site on Ladgate Lane and Marton Road, providing a regular service to local shops and services, as well as the town centre, which is the retail and commercial hub of the Tees Valley. In addition, both the James Cook Rail Station (to the North) which serves both the hospital and the surrounding area and the Marton Rail Station (to the South) are in close proximity to the site.

Site Information

9. The majority of the site is allocated in the Housing Local Plan for residential development. There are no recent planning permissions on the site of relevance to the proposed development, its previous use was as a golfing pitch and putt facility.
10. The site is broken down in to two distinct sites (Appendix A) that will deliver up to a total of 72 units. Part A of the site will accommodate up to 60 three to four bedroom detached and semi-detached dwellings and be attractive to large volume housebuilders. Part B will accommodate up to 12 detached dwellings that will be attractive to local small scale developers. Part B is a continuation of the existing housing on Marton Avenue and therefore needs to have particular attention paid to the architectural features of the development.
11. It is intended that the Council will submit outline planning applications for the erection of up to 60 individual detached and semi-detached dwellings (maximum 2.5 storey) on Part A of the site and 12 detached dwellings for sale for Part B of the site.

Site Constraints

12. An assessment of the site via full site surveys have been undertaken, including a light assessment, ecology survey, ground investigations, Flood Risk Assessment, an archaeology desk based assessment and geophysical survey. The results of these surveys demonstrate the suitability of the site for residential development and will support the planning applications.
13. The site is relatively flat in topography. Tree coverage of varying depths hugs each boundary. To the north is a small plantation of trees, to the west is open grass land, and to the south is a fenced boundary with Marton Avenue.
14. Whilst Part B and a large area of Part A of the development site is allocated, a proportion of Part A of the site is unallocated therefore an outline planning application will be submitted for each site prior to marketing; this will provide comfort to potential developers that the Council supports the principle of housing development on the site, de-risking the site. This should enhance the marketability of the site and also increase the potential offer values.
15. Site analysis has highlighted that underground cabling exists East to West across the site and a combined water pipe runs North to South. Due to the nature of the cabling and the water pipe it is not possible to build structures over them. The development proposals within the outline planning applications take these two constraints into account, ensuring that sufficient provision is in place with no dwelling houses constructed over the area.
16. It is anticipated that despite these constraints the 2.9ha site can sustainably accommodate up to 72 high quality, well designed three and four bedroom detached and semi-detached residential units.
17. The Council has a statutory policy to provide affordable housing on new residential schemes. In respect of this policy 5% of the dwellings provided on Part A of the site

should be delivered as affordable units, with a 10% financial contribution off site (equivalent to 10% of the capital receipt received from the sale of the site).

18. No additional developer contributions will be sought for the development of Part B of the site, unless 10 or more units are erected. In the eventuality that 10 or more units are put forward a 15% off site contribution would be sought.
19. All other planning requirements (i.e. that the Council normally receives through S106) will be met by the Council through a deduction from the capital receipt internally.

Accessibility and Infrastructure Requirements

20. Vehicular access to the Part A of the site will be from Ladgate Lane and Alan Peacock Way which also provides access to Middlesbrough Sports Village and James Cook University Hospital car park. Access to the dwellings on land adjacent to the existing residential dwellings at Marton Avenue, which form Part B of the site, will be directly and solely accessed from the extension road to Marton Avenue.
21. These necessary infrastructure improvements will be the responsibility of the developer. Specifically they will be required to provide:-
 - An access road from Alan Peacock Way into the site (culvert and junction work).
 - A Marton Avenue road extension to access the eight 'Plots for Sale' of Site B, that front Marton Avenue.
 - Provision of a footpath and cycle path to ensure that pedestrians can safely walk from the site to amenities within the wider Prissick site and cyclists can connect to the wider cycle network.
 - Environment Agency (EA) culvert diversionary work to mitigate against the cost of re-culverting/watercourse lost. The EA has indicated that these monies can then be used on improving habitat/water quality in other parts of the town.
 - Development contributions towards the provision of Strategic road improvements (i.e. the Stainton Way Western Extension / Longlands to Ladgate Link Road).
22. The site sits adjacent to the land identified for the Longlands to Ladgate link, which will see the construction of new road linking A1085 Longlands Road and B1380 Ladgate Lane, designed to mitigate the impact of traffic growth associated with new housing developments in Middlesbrough and Redcar & Cleveland on the operation of the local highway network. As part of the road development works, sufficient noise attenuation measures will be designed which will minimise any noise impact to the existing residents and new residents at Marton Avenue.

Development Guidance

23. The development guidance was subject to public consultation and agreed and adopted in September 2017. The adopted development guidance for the site will be a material consideration for residential planning proposals, providing an overview of the site and surroundings and advising potential developers on design and access requirements. This guidance, coupled with the allocated status of Part B of the site and an approved outline Planning Application for the whole site, will provide potential developers with a degree of certainty that the Council will support the development of the site for residential dwellings.

24. The design principles and building heights of this residential development will respect the surrounding landscape and built character of the area. This will be achieved by incorporating the existing mature landscape features into the development proposals as these features provide an important opportunity to assist in the integration of the new development into the open aspect of this part of the wider designated Prissick development site.
25. At Part B of the site, each dwelling must reflect and respect the character of the street-scene along Marton Avenue and incorporate external features that demonstrate high architectural quality. The layout of the dwellings will allow for in curtilage garage parking within the respective plots, and private driveways in front.
26. The layout of streets will provide a safe and well overlooked network of public spaces. These streets could be designed in detail to slow vehicular traffic and provide a safer environment for pedestrians and cyclists.
27. The site is located within an area of Middlesbrough characterised by green space and is part of the 'urban green' between East and West Middlesbrough. As such, the surroundings should provide an attractive setting for residential development and offer increased opportunities for leisure and recreation.

Marketing and Disposal Process

28. Outline planning applications will be submitted for approval for both Part A and Part B of the site. Following a subsequent planning approval, the sites will be marketed via a formal tender for housing developers to provide offers.
29. For Part A of the site the tender will be split 70% price and 30% quality. As part of the tender developers will be required to submit an indicative layout of the site and indicative house types. This will ensure that the developer submits the highest offer and also provide a scheme that planning are comfortable can be developed in to a detailed design planning application. It is envisaged that this will avoid delays in the disposal process and significant changes to site layout which would result in reduction to the capital receipt.
30. Part B of the site will also be marketed via a formal tender and is likely to be attractive to a small local developer. Tenders will be scored on 60% price and 40% quality, this will ensure that the Council achieves high value offers which acknowledge the requirement for high quality architecture in keeping with the existing units on Marton Avenue and comply with the design guidance agreed by Executive. As part of the tender developers will be required to provide indicative designs outlining the architectural detail for each dwelling. Disposing of the site as one rather than individual plots will ensure that a developer can proceed on all plots with reduced set up costs and minimising the disruption to existing residents. Furthermore, to do so would delay the development of the site, negatively impacting upon the Council's Medium Term Financial Plan (MTFP).
31. Tenders for each element of the site will be reviewed and respective reports will be brought to the Executive with recommendations for a preferred developer for each portion of the site.

Consultation

32. Ward Councillors and the local community have been consulted in the preparation of the development guidance for the site and have been informed of the intention to market the site. Ward Councillors were consulted as part of the preparation of this report.
33. The disposal of the Land North of Marton Avenue has not been subject to examination by the Overview and Scrutiny Board or by Scrutiny Panel.

Reasons

34. This site will be developed 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.
35. The sale of this site will provide high quality family housing which will add to the Council's tax base, provide New Homes Bonus payments from the Government, and attract residents into the town whilst meeting the demand and aspirations of a growing population.
36. Part B of the site will provide opportunities for small scale, local housing developer and will support the local construction industry.
37. Development of this site will contribute towards improving Middlesbrough's overall housing offer, ensuring there is a sufficient supply of high quality housing to prevent residents moving outside of the town and attracting new economically-active residents from neighbouring areas. This will also increase the vibrancy of the town and support Middlesbrough's overall economic growth and stem out migration.

Other potential decisions and why these have not been recommended

38. N/A

Impact(s) of recommended decision(s)

Legal

39. Development guidance forms part of the statutory Development Plan process, introduced as part of the Planning and Compulsory Purchase Act 2004. Consultation procedures as set down in the Council's adopted Statement of Community Involvement (SCI) will be applied.
40. The Council has advertised its intentions to dispose of the land via a Public Open Space Disposal advert which has received no objections, and land searches presented no issues in bringing this site forward for development.

Financial

41. The land has an asset value, as contained in the 2016 - 2017 statement of accounts, of £664,000. A more recent valuation, provided by Keir in December 2017, has produced an estimated market value of £1.4m. The current Asset Disposal Business Case is attached as Appendix B.
42. The sale of the site will produce a capital receipt to the Council. Deductions from capital receipts are to be anticipated to absorb the costs of initial site investigations. The Council will also be in receipt of Council Tax and New Homes Bonus. The disposal of Marton Avenue contributes towards the Council's MTFP, failure to dispose of and deliver housing on the site would impact upon the Council's future ambitions and operations.
43. Whilst the Council has absorbed the costs of initial site investigations the delivery risk lies with the developer, as they will be required to incur the pre site development costs (at risk) including planning work, ground investigations, utility undertakings and initial site deposit.

The Mayor's Vision for Middlesbrough

44. To facilitate housing growth in line with the Mayor's Vision - supporting Middlesbrough's aspirations as a town that people want to live in ensuring that high quality housing is available to all.

Policy Framework

45. A significant proportion of the disposal site is included within Policy H20 of the Housing Local Plan, which allocates Land north of Marton Avenue (2.19 ha) for the development of up to 50 dwellings. The disposal site also includes additional land (0.76 ha) to the west of the allocated site, which the Council has deemed surplus to requirements. The Council has prepared Development Guidance for the whole site, which was adopted in October 2017 following a public consultation exercise. This sets out the expectations for achieving a high quality housing development totalling 72 dwellings, 60 of which would be located to the north of the site and accessed from Alan Peacock Way, with the remaining 12 being 'plots for sale' and accessed from Marton Avenue.

Wards

46. The development of the site will provide additional housing in the Marton East ward increasing the provision of quality family housing for sale.
47. Ward Councillors and the local community have been consulted in the preparation of the development guidance for the site and have been informed of the intention to market the site. Ward Councillors were consulted as part of the preparation of this report. Concerns were raised over:
 - the traffic generation from the units on site and the impact upon the wider road network;

- Scholars Rise has suffered from increased crime levels in recent months; it was requested that consideration be given for the implementation of 6 ft fences to the boundary of the site and also shrubs be implemented outside of these fences;
- that Part B of the site remains as a cul de sac, with no vehicular route between the two, should there be a pedestrian route between Part A and Part B, that bollards are implemented to prevent smaller vehicular access; and,
- as part of any consultation carried out when a planning application is submitted that all residents in the locality (including resident on Ladgate Park) are consulted.

48. The development of the site will be subject to extensive local consultation with the community by the developers as part of the planning process.

Equality and Diversity

49. As part of the development guidance an Impact Assessment (Appendix C) was undertaken which highlighted no detrimental impact on individuals with protected characteristics.

Risk

50. Whilst Part B and a large area of Part A of the development site is allocated, a proportion of Part A of the site is unallocated therefore an outline planning application will be submitted for each site prior to marketing; this will provide comfort to potential developers that the Council supports the principle of housing development on the site, de-risking the site. This should enhance the marketability of the site and also increase the potential offer values.

Actions to be taken to implement the decision(s)

51. The below process will be undertaken to dispose of the site, subject to Executive approval:

- a. Submit outline planning applications for Part A and Part B of the site - Feb 18
- b. Receive outline planning permissions - May 18
- c. Prepare particulars - June 18
- d. Market site - July to August 18
- e. Tenders returned and considered - Sep 18
- f. Seek Executive approval for preferred developer - Nov 18
- g. Legal process, developer obtains detailed planning permission, judicial review, complete sale - Apr 19
- h. Commence on site - June 19

Appendices

Appendix A - Site Plan
Appendix B - Asset Disposal Business Case
Appendix C - Impact Assessment

Background papers

Body	Report title	Date
Middlesbrough Council	Middlesbrough Local Plan	Adopted November 2014

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