

EXECUTIVE SUB-COMMITTEE FOR PROPERTY

A meeting of the Executive Sub-Committee for Property was held on 19 December 2018.

PRESENT: Councillors Councillors C Rooney (Chair), J Brunton Dobson, D Rooney, J Rostron, M Thompson, N Walker and L Young

ALSO IN ATTENDANCE: Councillor B Hubbard
A Metcalfe - Press

OFFICIALS: C Bell, S Fletcher, R Horniman, A Hoy, D Johnson, C Lunn

APOLOGIES FOR ABSENCE: Councillor M Carr

DECLARATIONS OF INTERESTS

There were no Declarations of Interest.

18/11 MINUTES OF THE MEETING HELD ON 5 DECEMBER 2018

The minutes of the meeting held on 5 December 2018 were submitted and agreed as a true record.

18/12 SOUTHLANDS - FUTURE REDEVELOPMENT

The Executive Member for Culture and Communities and the Executive Director of Growth and Place submitted a report, the purpose of which was to approve that Southlands be designated as a community hub with football / associated sport activities, and the remainder of the site be developed accordingly.

The report provided an update on the community consultation on the new fit-for-purpose community facility, refurbishment of the existing artificial grass pitch, the demolition of the existing Southlands buildings and the development of the remainder of the site as potential football pitches.

A decision was required as the decision to develop the Southlands site as a community hub with football / associated sports activities would impact on more than two wards in respect of the location of the Southlands, as well as freeing up other sites for housing development elsewhere in Middlesbrough. The development of the site, both in terms of the capital expenditure and potential capital receipts / council tax from releasing other housing sites, would be in excess of the £150,000 threshold i.e. a key decision.

The report provided the background to Southlands and supporting information in respect of the proposed decision.

With the Chair's permission, Councillor Hubbard presented a written representation on behalf of a member of the public.

Options**Other potential decisions and why these had not been recommended****Develop the remainder for housing use**

As stated previously, the site could generate a capital receipt based on land values in the order of £67k to £116k per acre. However, other housing sites elsewhere in Middlesbrough had values more in the order of £350k to £450k per acre. In addition, the Southlands site had a number of physical restraints which would impact on the amount of land available for housing.

Other uses for the site

There was no demand or potential use for the building, as demonstrated by previous marketing exercises, for the site and the need for significant investment in what was essentially a 50-year-old former secondary school. Alternative uses were originally proposed and considered and, despite genuine efforts over a two-year period, there was a lack of a viable business plan for the continuation of the facility as outlined in the April report. No further alternative uses had subsequently been identified.

ORDERED

That Southlands be designated as a community hub with football / associated sports activity and the remainder of the site be developed accordingly.

REASONS

Due to a combination of the current impediments on the Southlands site, the benefit of the existing artificial grass pitches, future fit for purpose community centre, associated car parking together with the low land values in this area, the most cost effective solution was to develop the site as a community hub with football / associated sports activity, which would free up higher value housing sites elsewhere in Middlesbrough.

Further discussions would take place with both the Football Foundation and Sport England on how best to take this scheme forward, and maximise the space available to support playing field provision within Middlesbrough.

18/13

BRACKENHOE HOUSING SITE DISPOSAL- [PART A]

The Executive Member for Economic Development and Infrastructure and the Executive Member for Finance and Governance submitted a report, the purpose of which was for Executive to consider the tender proposals received by the Council, and to approve the disposal of the site to the preferred bidder.

The report was necessary as in March 2018, the Executive Sub-Committee for Property approved the joint marketing and disposal of the Brackenhoe Housing site. The vacant site was located off Ladgate Lane (B1380), situated at the northern end of Middlesbrough Sports Village. It was in the joint ownership of Middlesbrough Council (5.67 ha) and Middlesbrough College (6.153 ha). The site had a gross developable area of approximately 11.823 ha. The site was surplus to operational requirements, as confirmed by the Asset Disposal Business Case, which was attached as an appendix to Part B of the report. The report provided further details in respect of the proposed decision.

OPTIONS**Other potential decisions and why these have not been recommended****Option 1 – Do nothing**

This was not a viable option. The disposal of the site would facilitate housing growth in line with the Mayor's Vision - supporting Middlesbrough's aspirations as a city that people wanted to live in, ensuring that high quality housing was available to all.

Option 2 – To reuse the land for another purpose

The site had been allocated for housing in Middlesbrough's Local Plan, which was subject to extensive consultation.

ORDERED

That the tender proposals forwarded to the Council for consideration in Part B of the report be considered, and the disposal of the site to the preferred bidder identified in Part B of the report be approved.

REASONS

For reasons outlined in the report.

18/14

URBAN PIONEERS - PROPOSED FREEHOLD SALE [PART A]

The Executive Member for Finance and Governance and the Executive Member for Economic Development and Infrastructure submitted a report, the purpose of which was to consider the proposal to dispose of the Council's freehold interest of land in Middlehaven [forming part of the original Urban Pioneers area] for sale to a local developer by way of an option/conditional contract mechanism.

The report required a decision as the proposal related to the disposal of an asset deemed to be surplus, at a value in excess of the £150K threshold.

The report outlined that the Urban Pioneers Project was established as a delivery route to trigger the development of residential neighbourhoods in Middlehaven. The self-build scheme was designed to offer an attractive development proposition tailored to smaller scale building projects by local people, community groups or businesses.

The terms made available to prospective developers of the Urban Pioneers Project ceased when the Homes and Communities Agency withdrew from the Middlehaven Joint Venture in March 2017. In order to deliver on the original aim of the scheme and support housing growth in Middlesbrough, the Council was committed to ensuring that the remaining plots were developed for residential use.

As shown on the plan attached, the subject land comprised three plots (A, B and C) totalling 1.057 acres. The site was surplus to operational requirements, as confirmed by the Asset Disposal Business Case attached at Appendix III to Part B of this report.

The Urban Pioneers plots were located centrally in Middlehaven and overlooked Transporter Park, lining the main thoroughfare between the City Centre and Transporter Bridge, with close proximity to the A66 and in walking distance of Teesside University.

To date, there had been a limited amount of interest in this area from residential developers. The proposal for affordable, market rent apartments was a commodity in low supply in the area and across the town more broadly. The level of interest displayed by the Buyer and the commitment to an affordable residential development was encouraging, and provided comfort that there was sufficient market demand for this product.

The Buyer had approached the Council for an option to acquire the remaining three Urban Pioneers plots (see Appendix I) on the terms set out within Part B of this report. The Buyer's planning application would be subject to compliance with the wider design guidance for Middlehaven.

Options**Other potential decisions and why these had not been recommended**

Option 1 – Do nothing

This was not a viable option. There was a desire and commitment in principle for the regeneration of Middlehaven. If the Council was to proceed to do nothing, the area would be at risk of prolonged underdevelopment and lack of investment for the foreseeable future. The Council would also reduce potential access to future incomes streams by way of Council Tax and New Homes Bonus.

ORDERED

That the sale of the property, in accordance with the recommendations made in the report, be approved.

REASONS

1. **The above recommendation would increase Middlesbrough's housing supply and provide Middlesbrough Council with additional affordable homes.**
2. **The Government sees custom-build as a major contributor to housing growth and wished to increase the share of custom-build housing as part of the national housing output.**
3. **The sale of the land would aid in the development and regeneration of Middlehaven.**
4. **The sale of this land would provide a capital receipt, with assurances of continued Council Tax income and New Home Bonus contributions, all of which would support the Council's Medium Term Financial Plan.**
5. **The disposal of a surplus land in return for a capital receipt to the Council would assist in the regeneration and enhancement of the local area.**

18/15

HEMLINGTON LANE - PROPOSED FREEHOLD DISPOSAL [PART A]

The Executive Member for Finance and Governance submitted a report, the purpose of the report was to consider the proposal to dispose of the Council's freehold interest in land at Hemlington Lane, and seek approval to proceed with the sale of the property for the purposes of residential development.

The report required a decision as the proposal related to the disposal of an asset deemed to be surplus, at a value in excess of the £150K threshold.

Paragraphs 3-11 of the report provided background information in respect of the proposed decision.

A Member commented on Middlesbrough's current population size in the context of the development decisions being proposed.

OPTIONS**Other potential decisions and why these had not been recommended***Re-use for operational purposes*

No Council operational service requirement had been identified.

Other uses

Although the site was capable of being used for other purposes, future use for the development of residential dwellings was preferred. An Outline Planning Consent confirming this was granted by the Local Planning Authority in September 2015, and was currently in the process of being renewed.

Do nothing

The property would remain in its present state. Whilst the subject site would be retained for potential future Council use, the liability and responsibility for maintaining and holding the property would remain with the Council in the interim.

ORDERED

That the sale of the property in accordance with the recommendations made in this report be approved.

REASONS

1. **In order to meet the Council's requirement to generate capital receipts, increase annually recurring revenue streams and to bring the parcel of land into a far more beneficial use in the future.**

2. **The proposal would help increase the supply of available housing stock locally in Kader Ward, whilst also generating further inward investment in Middlesbrough.**
3. **The proposal supported delivery of the Council's Medium Term Financial Plan.**

18/16 **EXCLUSION OF PRESS AND PUBLIC**

ORDERED

That the press and public be excluded from the meeting for the following items on the grounds that, if present, there would be disclosure to them of exempt information, as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, and that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

18/17 **BRACKENHOE HOUSING SITE DISPOSAL [PART B]**

The Executive Member for Economic Development and Infrastructure and the Executive Member for Finance and Governance submitted a report in relation to Brackenhoe Housing Site Disposal.

The report provided background and supporting information in relation to the proposed decision.

ORDERED

That the recommendations of the report be approved.

REASON

For the reason outlined in the report.

18/18 **URBAN PIONEERS - PROPOSED FREEHOLD SALE [PART B]**

The Executive Member for Economic Development and Infrastructure and the Executive Member for Finance and Governance submitted a report in relation to Urban Pioneers - proposed freehold.

The report provided background and supporting information in relation to the proposed decision.

ORDERED

That the recommendations of the report be approved.

REASON

For the reason outlined in the report.

18/19 **HEMLINGTON LANE - PROPOSED FREEHOLD DISPOSAL [PART B]**

The Executive Member for Finance and Governance submitted a report in relation to Hemlington Lane - proposed freehold.

The report provided background and supporting information in relation to the proposed decision.

ORDERED

That the recommendations of the report be approved.

REASON

For the reason outlined in the report.

The decision(s) will come into force after five working days following the day the decision(s) was published unless the decision becomes subject to the call in procedures.