

Report of:	Kevin Parkes, Executive Director of Growth and Place and James Bromiley, Strategic Director of Finance, Governance and Support. Councillor Lewis Young, Executive Member for Economic Development and Infrastructure and Councillor Nicky Walker, Executive Member for Finance and Governance.
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Submitted to:	Executive Sub Committee for Property- 19 December 2018
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Subject:	Brackenhoe Housing Site Disposal (PART A)
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Summary

Proposed decision(s)
That Executive: <ul style="list-style-type: none"> a) considers the tender proposals forwarded to the Council for consideration in Part B of this report; and, b) approves the disposal of the site to the preferred bidder identified in Part B of this report.

Report for:	Key decision:	Confidential:	Is the report urgent?¹
Decision to dispose of Council held land	Yes – exceeds the £150K financial threshold	No	No

Contribution to delivery of the 2018-22 Strategic Plan		
Business Imperatives	Physical Regeneration	Social Regeneration
The proposal to dispose of the subject land supports the Council’s Housing Growth Programme and helps to underpin its Medium Term Financial Plan.	The development of the land with residential dwellings will bring a currently surplus, vacant and underutilised Council held asset into far more positive future use.	The development of housing will contribute towards Middlesbrough’s Housing Growth Programme and increase the quantity and quality of homes available to residents.

Ward(s) affected
Marton East – Ward Members have been briefed

What is the purpose of this report?

1. The purpose of the report is for Executive to consider the tender proposals received by the Council and to approve the disposal of the site to the preferred bidder.

Why does this report require a Member decision

2. The proposal relates to the disposal of an asset deemed to be surplus, at a value in excess of the £150,000 threshold.

Why is this report necessary?

3. In March 2018 Executive Sub Committee for Property approved the joint marketing and disposal of the Brackenhoe Housing site. The vacant site is located off Ladgate Lane (B1380), situated at the northern end of Middlesbrough Sports Village. It is in the joint ownership of Middlesbrough Council (5.67 ha) and Middlesbrough College (6.153 ha). The site has a gross developable area of approximately 11.823 ha. The site is surplus to operational requirements as confirmed by the Asset Disposal Business Case attached as an appendix to Part B of this report.
4. 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). To the west of the site is Scholars Rise, to the south is Marton Avenue and to the north is James Cook University Hospital.
5. The site has excellent road links, with the site's main access, Alan Peacock Way, linking directly with Ladgate Lane. 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 shops and services. In addition, the Marton Rail Station is in walking distance of the site.
6. Most of the Brackenhoe site has been allocated in the adopted Housing Local Plan for residential use since November 2014. The emerging Local Plan includes the extended site, allocated for 350 housing units. Development Guidance was drafted for the Brackenhoe site, consulted on throughout August 2018 and adopted in November 2018. The guidance provides design principles with regard to how the scheme should come forward in the future. The Development Guidance was provided to tenderers and used as a way of assessing the quality element of the tenders received.
7. The site has recently been marketed for sale by competitive tender through the NEPO procurement portal, and was supported by an advertising exercise undertaken by Lambert Smith Hampton. The closing date for the receipt of tenders was Wednesday 31st October 2018. A total of five tenders were submitted for the site by different house builders and a preferred bidder is identified in Part B of this report.
8. The residential development of the 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 city and attracting new residents from neighbouring areas. This will increase the vibrancy of the city, support Middlesbrough's overall economic growth and stem out migration.

9. 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 city whilst meeting the demand and aspirations of a growing population.

What decision(s) are being asked for?

10. That Executive:

- a) considers the tender proposals forwarded to the Council for consideration in Part B of this report; and,
- b) approves the disposal of the site to the preferred bidder identified in Part B of this report.

Why is this being recommended?

11. The disposal of the site in return for a capital receipt to the Council will assist in the regeneration and enhancement of Middlesbrough. The site will provide high quality family housing, ensuring there is an adequate supply of housing to stem outward migration and attract new residents into the city. In addition the sale of the site will add to the Council's tax base and provide New Homes Bonus payments from the Government.

Other potential decisions and why these have not been recommended

Option 1 – Do nothing

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

Option 2 – To reuse the land for another purpose

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

Impact(s) of recommended decision(s)

Legal

14. The Council has justification to use appropriate powers of disposal under Section 123 of the Local Government Act 1972 and the General Consent under Circular 06/03, and the transaction will be documented in accordance with required legal procedure. The Council has a statutory duty to dispose of land for the best consideration that can be reasonably obtained.
15. In considering the offer received, the Council can consider matters other than purely financial benefits such as overall design and this has been taken into consideration in Part B of the report.

Financial

16. The Council and Middlesbrough College will receive a capital receipt for the sale of Brackenhoe. The Council will also receive additional Council Tax and New Homes Bonus.

The Mayor's Vision for Middlesbrough

17. The disposal of the site will facilitate housing growth in line with the Mayor's Vision - supporting Middlesbrough's aspirations as a city that people want to live in ensuring that high quality housing is available to all.

Policy Framework

18. Policy H20 of the Housing Local Plan allocates 5.68 Ha of land on the Brackenhoe East site for the development of "180 high quality mixed medium to higher density housing" The disposal site also includes additional land to the east of the allocated site, which the Council has deemed surplus to requirements which forms part of the emerging Local Plan. The Council has adopted Development Guidance for the site, which is a material consideration when considering any future planning applications for the site.

Wards

19. Brackenhoe is situated in the Marton East ward. Ward Councillors have been consulted on the potential to dispose of the site.

Equality and Diversity

20. A Level 1 (Initial Screening) Impact Assessment (IA) accompanies this report, attached as Appendix II.
21. 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 land, which is vacant and surplus to Council needs, was brought back into a more beneficial future use.
22. The impact assessment that was undertaken found that there were no concerns that the proposal could have an adverse impact. In addition, the Council's planning process would also serve to ensure that any future use proposed would be appropriate for the local area.

Risk

23. The proposed disposal to the preferred bidder is compliant with the Council's Legal and Procurement obligations. As with any disposal, there is a risk that the Council is challenged on its selection of a preferred bidder, however the Council can demonstrate that the scoring process set out in the Invitation to Tender has been adhered to and therefore the risk is limited. All of the bids have been reviewed and assessed by a scoring panel in accordance with the Invitation to Tender.

Actions to be taken to implement the decision(s)

24. Subject to executive approval, the Council will:

- a) notify the successful tenderer via the NEPO portal; and,
- b) complete the legal documents relating to the sale of the Brackenhoe housing site.

Appendices

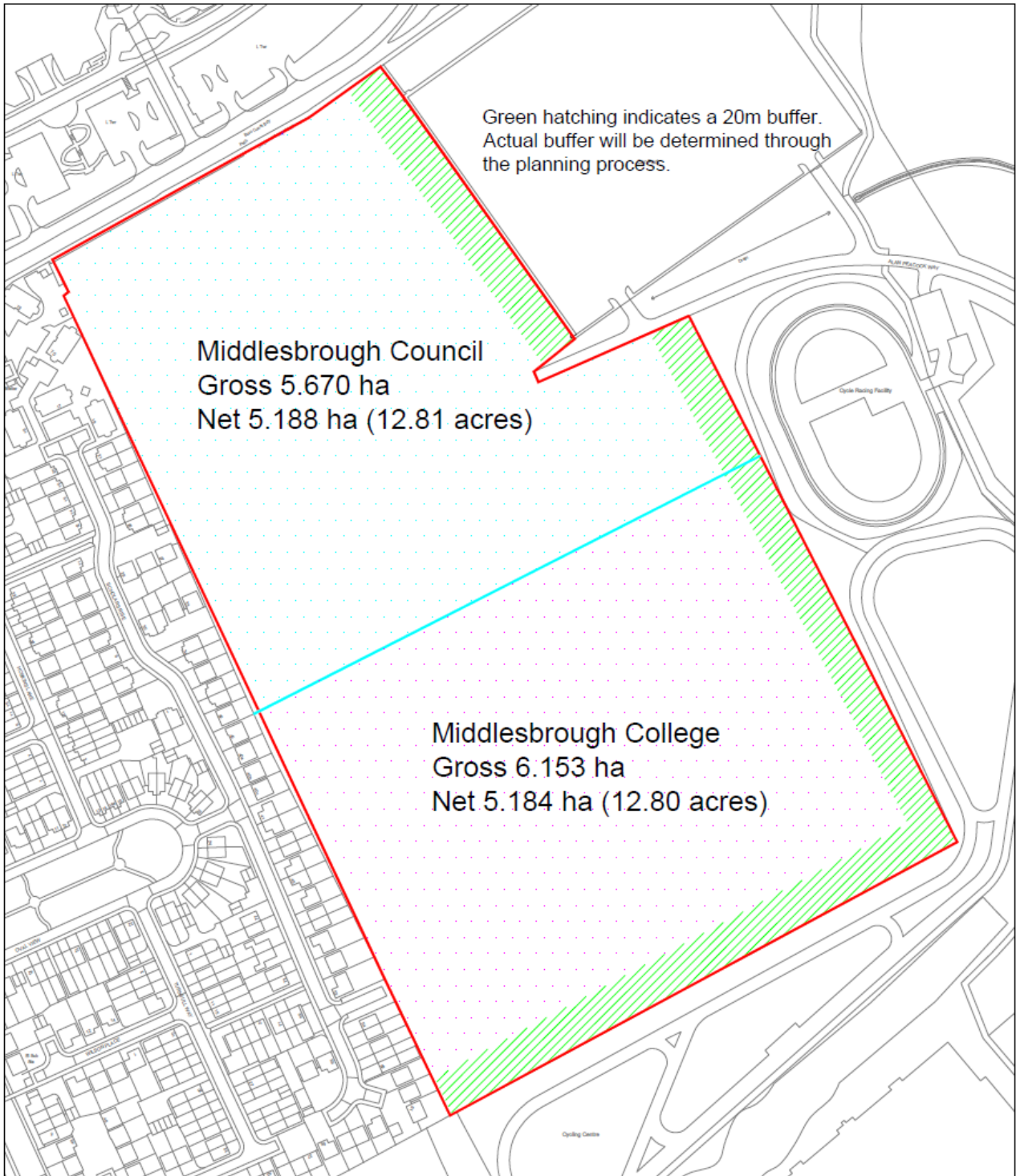
Appendix I Site Plan

Appendix II Impact Assessment Level 1: Initial Screening Assessment

Background papers

Body	Report title	Date
Executive Sub-Committee For Property	Land Disposal At Former Brackenhoe School Site	21 st March 2018

Appendix I – Site Plan



SAFETY HEALTH AND ENVIRONMENTAL ISSUES			
Rev	Date	Description	
Project		Brackenhoe Site Disposal	
Drawing		Site area	
File Ref	Drg no	Revision	
HG-BR	(9)-01		
Date	Drawn	Scale	A4
Jan 2018	SF	1:2500 @ A4	
Tender Reference Number			
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Appendix II - Impact Assessment Level 1: Initial screening assessment

Subject of assessment:	Disposal of the Council's freehold interest in the land at the Former Brackenhoe School Site			
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 type="checkbox"/>	Revision of an existing approach:	<input checked="" 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 The parcel of land has stood unused for a number of years. There are no Council staff, or services that will be affected by the disposal as proposed. Future use will be for residential development.</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; • help meet the borough's housing requirement; • create new jobs within the borough; • remove the Council's liability for future holding costs, responsibility for, and maintenance of the property, and • help stimulate further development in the local area, and bring the subject property back into a more positive future use. 			
Live date:	Tuesday 27 th November 2018			
Lifespan:	Not applicable			
Date of next review:	Not applicable			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
<p>Human Rights</p> <p>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 property 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 property is vacant, and that no Council staff or services will be affected by the disposal as proposed; the new jobs that future re-use of the property will create, and the potential for this proposal to stimulate further economic development within the borough.
<p>Equality</p> <p>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. The property is 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 property being located within close proximity to the areas of recreational open space provided in Prissick, it is considered that the proposal will not have a disproportionate adverse impact on a group, or individuals, because they hold a protected characteristic. 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</p> <p>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 property back into a far more beneficial future use than that being provided under the current ownership and management arrangement.</p>
<p>The Mayor's Vision For Middlesbrough</p> <p>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 this property is intended to facilitate regeneration, and as such, it is considered that it will contribute <i>positively</i> towards the Middlesbrough 2025 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.</p> <p>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</p> <p>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 property 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:	Charlotte Considine	Head of Service:	Steve Fletcher
Date:	27/11/2018	Date:	27/11/2018