

Report of:	Richard Horniman, Executive Director of Regeneration and Culture Ian Wright, Director of Finance Councillor Ashley Waters, Executive Member for Regeneration Councillor Chris Hobson, Executive Member for Finance and Governance
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Submitted to:	Executive - 29 th September, 2020
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Subject:	Land North of Marton Avenue – Preferred Bidder for Site Disposal (PART A)
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Summary

Proposed decision(s)
The following is asked of the Executive: <ul style="list-style-type: none"> a) that the information contained in Part A of the report be noted; and b) that the decision be taken once all the financial or exempt information contained in Part B of the report has been considered.

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 2020-23 Strategic Plan		
People	Place	Business
The development of housing, will contribute towards Middlesbrough’s Housing Growth Programme and increase the quality and quantity of homes available to residents.	Investing in Middlesbrough to provide new housing on a key site, which will support the regeneration of the town centre and help create an attractive place to live, work and visit.	The proposal to dispose of the subject parcel of land will generate Council Tax.

Ward(s) affected
Marton East – Ward Members have been briefed on the marketing of the site

What is the purpose of this report?

1. For Executive to consider the bids 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 to operational requirements, as confirmed by the Asset Disposal Business Case (see Appendix III to Part B of this report), at a value in excess of the £150,000 threshold.

Why is this report necessary?

3. In February 2018 Executive Sub Committee for Property approved the marketing and disposal of the Land North of Marton Avenue housing site.
4. 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. The majority of the site is allocated within the statutorily adopted Housing Local Plan (2014), which was subject to extensive community engagement and a public inquiry. With an additional 0.76 hectares (ha) of unallocated land available, the site has a gross development area of approximately 2.9 hectares (ha).
5. Development Guidance was drafted for the Land North of Marton Avenue site, and adopted in September 2018 following consultation. The guidance provides design principles with regard to how the scheme should come forward in the future. The Development Guidance was provided to bidders and used as a way of assessing the quality element of the bids received.
6. The site is surplus to operational requirements as confirmed by the Asset Disposal Business Case attached as Appendix III to Part B of this report.
7. 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).
8. The site has excellent road links with the site's main and only 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, both the James Cook Rail Station (to the North) which serves both the hospital and the surrounding area and Marton Rail Station (to the South) are in close proximity to the site.
9. The majority of the Marton Avenue site has been allocated in the adopted Housing Local Plan for residential use since November 2014.
10. Due to a small proportion of the site being unallocated an outline planning application was submitted and approved in July 2019, prior to site marketing.
11. The site can deliver up to a total of 72 units, creating a high quality development.
12. The site was originally split into two distinct parcels of land and competitively marketed as such through the NEPO e-tendering portal between September and

November 2019. Due to an unsatisfactory negotiation period with the preferred bidder the decision was taken to re-market the site.

13. Bidders were afforded the opportunity to refresh their bids from 22nd May – 3rd July 2020. The site was marketed as one site at this time, with all access to the site to be taken from Alan Peacock way only, as per the redline boundary of Appendix I.
14. Due to planning concerns with all of the refreshed bids the top three scoring bidders were afforded an opportunity to further revise their bids following a one to one meeting with planners to talk through the necessary changes required to bring their proposals for the site up to standard. Bids were resubmitted on the 28th August, 2020.
15. The residential development 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.
16. Following the scoring of the bids a preferred bidder has been identified.
17. The anticipated timescales for delivery of this site are as follows:
 - Valid detailed planning application submitted - December 2020
 - Planning approval - May 2021
 - Legal completion - July 2021
 - Start on site - August 2021
18. The sale of this site will provide high quality family housing which will add to the Council Tax base, provide New Homes Bonus payments (subject to central Governments 2020 spending review) and attract residents into Middlesbrough whilst meeting the demand and aspirations of a growing population.

What decision(s) are being asked for?

19. The following is asked of the Executive:
 - c) that the information contained in Part A of the report be noted; and
 - d) that the decision be taken once all the financial or exempt information contained in Part B of the report has been considered.

Why is this being recommended?

20. 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 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 Tax base and subject to central Governments 2020 spending review provide New Homes Bonus payments.

Other potential decisions and why these have not been recommended

Option 1 – Do Nothing

21. This is not a viable option. Failure to dispose of the site will result in a loss of capital receipt, Council Tax and potential New Homes Bonus for Middlesbrough Council. The site has been allocated for housing in Middlesbrough's Local Plan which was subject to extensive consultation. The disposal of the site will facilitate housing growth and support Middlesbrough's aspirations as a city that people want to live and ensuring that high quality housing is available to all.

Impact(s) of recommended decision(s)

Legal

22. 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.

23. 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

24. The Council will receive a capital receipt for the sale of the Land North of Marton Avenue. Additionally, the Council will receive Council Tax and New Homes Bonus (subject to central Governments 2020 spending review) payments for the proposed 72 unit development, which is included within the Medium Term Financial Plan.

The Vision for Middlesbrough

25. The disposal of the site will facilitate housing growth supporting Middlesbrough's aspirations as a place that people want to live and ensuring that high quality housing is available to all.

Policy Framework

26. Policy H20 of the Housing Local Plan states that development at this sites should contain high quality, well designed three and four bedroom detached and semi-detached dwellings. The Council has adopted Development Guidance for the site, which is a material consideration when considering any future planning applications for the site.

Wards

27. The Land North of Marton Avenue is situated in the Marton East ward. Ward Councillors have been consulted on the potential to dispose of the site and were made aware that the site was being marketed.

Equality and Diversity

28. A Level 1 (Initial Screening) Impact Assessment (IA) accompanies this report, attached as Appendix II.
29. As part of the development guidance an Impact Assessment was undertaken which highlighted no detrimental impact on individuals with protected characteristics.

Risk

30. The proposed disposal to the preferred bidder is compliant with the Council's procurement processes. 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 request for bids 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 request.
31. It must be noted that there is a risk that the preferred Bidder, will, subject to discussions with Planning or due to impacts on the business as a result of the COVID-19 pandemic, withdraw from the process due to decreased viability.

Actions to be taken to implement the decision(s)

32. Subject to Executive approval, the Council will:
- a) notify the successful bidder via the NEPO e-tendering portal; and,
 - b) complete the legal documents relating to the sale of the Land North of Marton Avenue 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	The Disposal of Land North of Marton Avenue	21 st February 2018

Appendix I – Site Plan



Appendix II - Impact Assessment Level 1: Initial Screening Assessment

Subject of assessment:	Draft Development Guidance Brief for the Redevelopment of Land North of Marton Avenue			
Coverage:	Site-specific			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input checked="" 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 type="checkbox"/> Other (please state)		
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>Draft development guidance has been prepared to provide guidelines on the key layout principles, type of housing and quality of development the Council will be seeking in the development of the Land North of Marton Avenue site.</p> <p>Key aims, objectives and activities The development guidance aims to provide developers with guidelines on the Council's requirements for the future development of the site, reducing risk and uncertainty. It will also contribute to ensuring the timely development of the site and make it less likely that inappropriate planning applications will be submitted.</p> <p>Statutory drivers The Council must prepare Local Plans and associated planning documents, under the Planning and Compulsory Purchase Act 2004, and the National Planning Policy Framework (NPPF).</p> <p>Differences from any previous approach Not applicable. There is no present development guidance for the site, apart from the Council's Housing Local Plan policy H20 - Prissick.</p> <p>Key stakeholders and intended beneficiaries (internal and external as appropriate) The Council, developers and the local community.</p> <p>Intended outcomes The Council adopting the development guidance for the redevelopment of land north of Marton Avenue as an SPD, which will become a material consideration in any future residential planning proposals for the site.</p>			
Live date:	Upon adoption.			
Lifespan:	Until the site is developed or the site allocation in the Housing Local Plan is removed/changed.			

Date of next review:	When a review of the Housing Local Plan takes place, however the allocation of the land north of Marton Avenue site for residential development is not due to change.

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>	☒	☐	☐	<p>The land north of Marton Avenue site is already allocated for residential use in the Council's adopted Housing Local Plan, which underwent several rounds of public consultation – in full accordance with the Middlesbrough SCI – and a stringent Public Examination by an Independent Planning Inspector, who declared the Plan sound. As such, the principle of residential development in this location has already been established as being suitable.</p> <p>The draft development guidance is intended to ensure the satisfactory development for residential purposes. Consultation on the development guidance will be undertaken in full accordance with the Council's adopted Statement of Community Involvement (SCI).</p> <p>In light of the above, it is not considered that the guidance will have an adverse impact on individual human rights.</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>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 land north of Marton Avenue site is already allocated for residential use in the Council's adopted Housing Local Plan, which underwent several rounds of public consultation – in full accordance with the Middlesbrough SCI – and a stringent Public Examination by an Independent Planning Inspector, who declared the Plan sound. As such, the principle of residential development in this location has already been established as being suitable.</p> <p>The draft development guidance is intended to ensure the satisfactory development for residential purposes. Consultation on the development guidance will be undertaken in full accordance with the Council's adopted Statement of Community Involvement (SCI).</p> <p>In light of the above, it is not considered that the guidance will have an adverse impact on different groups or individuals in terms of equality.</p>

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>The land north of Marton Avenue site is already allocated for residential use in the Council's adopted Housing Local Plan, which underwent several rounds of public consultation – in full accordance with the Middlesbrough SCI – and a stringent Public Examination by an Independent Planning Inspector, who declared the Plan sound. As such, the principle of residential development in this location has already been established as being suitable.</p> <p>The draft development guidance is intended to ensure the satisfactory development for residential purposes. Consultation on the development guidance will be undertaken in full accordance with the Council's adopted Statement of Community Involvement (SCI).</p> <p>In light of the above, it is not considered that the guidance will impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town.</p>

Screening questions	Response			Evidence
<p>Sustainable Community Strategy objectives Could the decision impact negatively on the achievement of the vision for Middlesbrough? Does the decision impact on statutory duties associated with these key objectives? *</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The land north of Marton Avenue site is already allocated for residential use in the Council's adopted Housing Local Plan, which underwent several rounds of public consultation – in full accordance with the Middlesbrough SCI – and a stringent Public Examination by an Independent Planning Inspector, who declared the Plan sound. As such, the principle of residential development in this location has already been established as being suitable.</p> <p>The draft development guidance is intended to ensure the satisfactory development for residential purposes. Consultation on the development guidance will be undertaken in full accordance with the Council's adopted Statement of Community Involvement (SCI).</p> <p>In light of the above, it is not considered that the guidance will impact negatively on the Council's sustainable community strategy objectives.</p>

Screening questions	Response			Evidence
<p>Organisational management / transformation Could the decision impact negatively on organisational management or the transformation of the Council's services as set out in its transformation programme? *</p>	☒	☐	☐	<p>The land north of Marton Avenue site is already allocated for residential use in the Council's adopted Housing Local Plan, which underwent several rounds of public consultation – in full accordance with the Middlesbrough SCI – and a stringent Public Examination by an Independent Planning Inspector, who declared the Plan sound. As such, the principle of residential development in this location has already been established as being suitable.</p> <p>The draft development guidance is intended to ensure the satisfactory development for residential purposes. Consultation on the development guidance will be undertaken in full accordance with the Council's adopted Statement of Community Involvement (SCI).</p> <p>In light of the above, it is not considered that the guidance will impact negatively on the organisational management or the transformation of the Council's services set out in its transformation programme.</p>
<p>Next steps:</p> <ul style="list-style-type: none"> ➡ If the answer to all of the above screening questions is No then the process is completed. ➡ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed. 				

Assessment completed by:	Charlton Gibben	Head of Service:	
Date:	03.10.16	Date:	

