

<b>Report of:</b>	Richard Horniman, Director of Regeneration and Culture Ian Wright, Director of Finance Councillor Ashley Waters, Executive Member for Regeneration Councillor Chris Hobson, Executive Member for Finance & Governance
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<b>Submitted to:</b>	Executive - 29 September 2020
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<b>Subject:</b>	Middlehaven - Disposal (Part A)
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**Summary**

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

<b>Report for:</b>	<b>Key decision:</b>	<b>Confidential:</b>	<b>Is the report urgent?<sup>1</sup></b>
Decision to dispose of Council held property.	Yes – exceeds the £150K financial threshold.	No	No

<b>Contribution to delivery of the 2020-23 Strategic Plan</b>		
<b>People</b>	<b>Place</b>	<b>Business</b>
The development of housing will contribute towards Middlesbrough’s Housing Growth Programme and increase the quality and quantity of homes available to residents.	The development of the subject parcel of land will generate significant inward investment and bring a vacant and underused Council asset into far more positive future use.	The proposal to dispose of the subject parcel of land will generate a significant capital receipt for the Council and help underpin its Medium Term Financial Plan.

<b>Ward(s) affected</b>
Central

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## **What is the purpose of this report?**

1. The purpose of the report is to consider the proposal to dispose of part of the Council's freehold interest in land at Middlehaven.

## **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 £150K threshold.

## **Report background**

3. The subject site comprises four separate parcels of development land that form part of the much larger, and now cleared, Council owned estate holding at Middlehaven.
4. Shown edged on the plan attached as Appendix A of this report, the subject parcel of land measures @ 7.223 Acres [2.923 Hectares].
5. Located to the south of the proposed Boho X development site, the subject land sits immediately adjacent consecrated ground at the Old Town Hall and has frontage to a number of adopted roads in the area.
6. The subject land is considered suitable for a range of uses, including residential, commercial and leisure purposes.
7. The Council has received an unsolicited approach from a residential developer interested in bringing development of the site forward, with a mix of residential apartments, bungalows and houses – thereby supporting regeneration of the area via delivery of better housing choices for residents than those currently available.
8. An Asset Disposal Business Case confirming the subject land as being surplus to operational Council requirements is attached as Appendix C to Part B of this report.

## **What decision(s) are being asked for?**

9. The following is asked of the Executive:
  - 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.

## **Why is this being recommended?**

10. In order to meet the Council's requirements to generate capital receipts, increase annually recurring revenue streams and to bring the subject parcel of land into far more beneficial use in the future.
11. The disposal of the subject parcel of land as proposed supports delivery of the Council's Medium Term Financial Plan.

## **Other potential decisions and why these have not been recommended**

### ***Re-use for operational purposes***

12. No Council operational service requirement has been identified.

### ***Other uses***

13. Although the site is capable of being used for other purposes, the future use of the site for residential purposes, as proposed by the Buyer, is preferred.

### ***Do nothing***

14. The property would remain in its present state.

15. Whilst the subject land would be retained for potential Council use in the future, the liability and responsibility for maintaining and holding the property would remain with the Council in the interim.

16. The area would be at risk of prolonged underdevelopment and lack of investment for the foreseeable future. The Council would also lose an opportunity to access potential streams of recurring Council Tax income, as well as a New Homes Bonus payment.

## **Impact(s) of recommended decision(s)**

### ***Legal***

17. No specific legal issues have been created as a result of the proposal.

18. The property would be disposed of freehold with vacant possession in accordance with standing disposal protocol.

### ***Financial***

19. The Council would receive a capital receipt plus fees without the need to incur any further marketing costs.

20. The disposal of the site would remove the Council's liability for any future maintenance costs while it remains unused.

### ***The Mayor's Vision for Middlesbrough***

21. The decision aligns with the Mayor's Vision for Middlesbrough to be a town that people want to live in, with quality housing for all means, whether these are for purchase, or to rent.

22. Furthermore, the decision supports the Mayor's vision to support the development of new neighbourhoods across Middlesbrough and restore Middlehaven as the centre of commerce in the Tees Valley; encouraging innovative architecture, unique leisure opportunities and quality commercial spaces.

## ***Policy Framework***

23. The site forms part of the Housing Local Plan 2014.

24. The decision is aligned with the Mayor's vision to attract an additional four thousand people to live in the town centre over the next ten years.

## ***Wards***

25. The property is situated in the Central Ward and the respective Ward Members have been consulted.

26. Members will be further consulted on any subsequent proposal made as part of the normal planning process.

## ***Equality and Diversity***

27. A Level 1 (Initial Screening) Impact Assessment (IA) accompanies this report attached at Appendix B.

28. The impact assessment identified that the proposal would have a positive impact on the local community and would not represent a concern to equal rights, disability discrimination or the impingement of human rights.

29. The Council's development control planning process would also serve to ensure that any future use proposed would be appropriate for the local area.

## ***Risk***

30. The following high level risks, which are identified in the Strategic and Directorate Risk Registers, will be reduced by facilitating the delivery of residential development in Middlehaven as proposed.

- O1-005 - If poor economic growth occurs, then this will reduce public and private sector investment in the town, including town centre retail, housing development and business.
- O1-004 - If the New Homes Bonus funding is reduced, due to a change in the funding regime or the Council failing to build new homes at the targeted rate then Council Tax receipts will not be maximised, impacting upon the Council's MTFP.
- O1-045 - If delivery of the new housing programme does not meet the projected targets then this can have a negative impact on the assumptions within the MTFP.

31. The following risks are directly associated with the proposal to dispose of the land for the purposes of residential development as proposed:

- Price: The Council has not marketed the site, so there is a risk that best consideration is not being achieved.
- Planning Challenge: The site does not have the benefit of planning permission but the principle of residential development of this nature, in this location, is acceptable. However, as with any development, this would be subject to a planning application process and would be properly considered, on its merits and the legislative framework.
- Quality: The quality of the development can only be controlled via the statutory planning process.
- Delivery timescales: The Council cannot directly control the timescales of development, but the legal documentation will include appropriate terms regarding milestones for planning consent, the start of development, and, a buy back option.

### **Actions to be taken to implement the decision(s)**

32. Subject to Executive Committee approval, the Council moves to proceed with the disposal of the subject property as detailed in Part B of this report.

### **Appendices**

Appendix A Site Plan - Middlehaven

Appendix B Impact Assessment Level 1 - Initial screening assessment

### **Background papers**

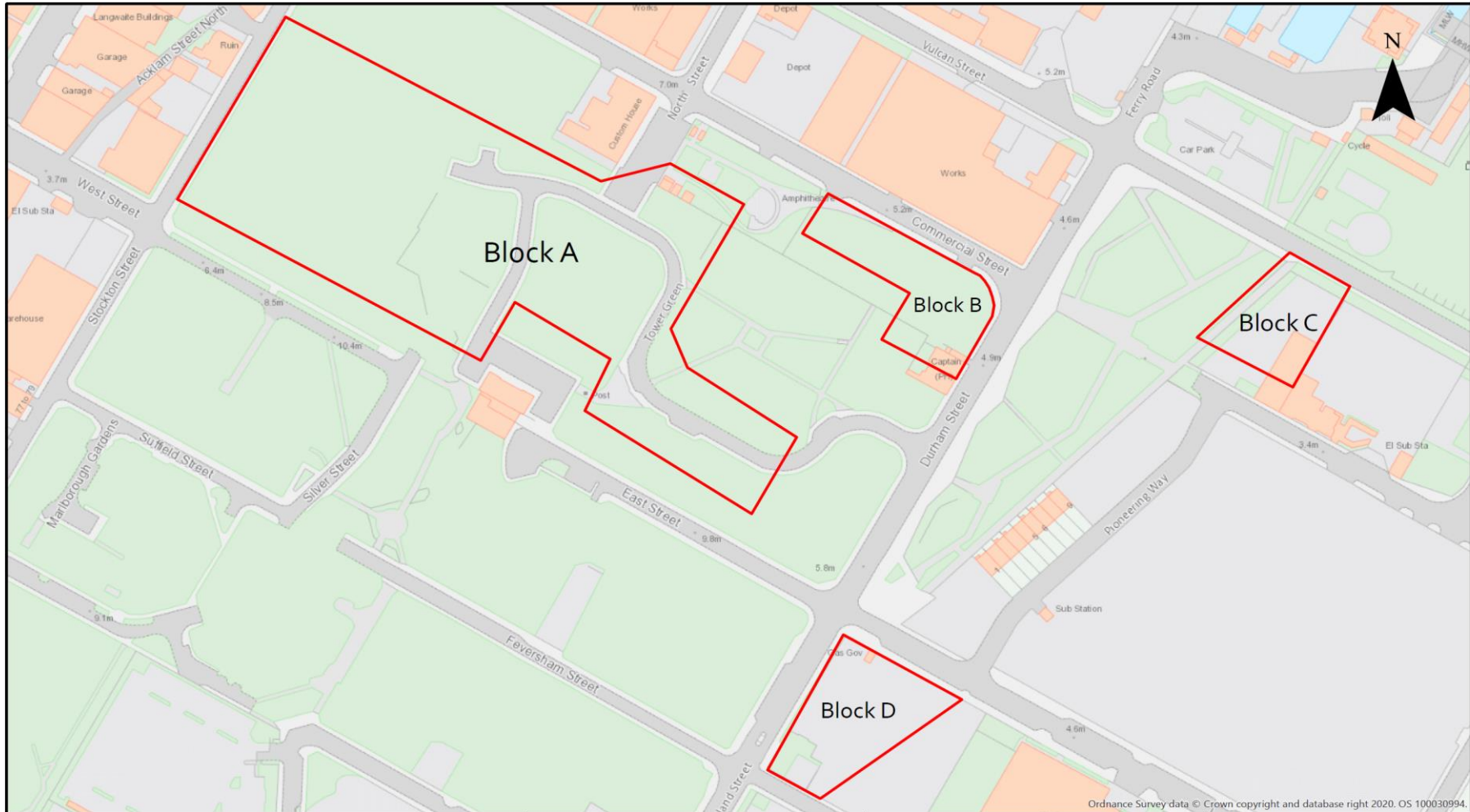
No further reports were used in the preparation of this report:

<b>Body</b>	<b>Report title</b>	<b>Date</b>
N/A	N/A	N/A

**Contact:** Claire Bell, Project Officer, Housing Growth

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Appendix A – Site Plan



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	 <p>© Crown Copyright and database rights 2019 Ordnance Survey LA10023413</p>	<p>Housing Development Site Middlehaven Middlesbrough</p>	<p>Scale : 1:1,500 Date : 19/08/2020 Drawn : E.S Drg No : VAL 6069</p>
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## Appendix B - Impact Assessment Level 1: Initial screening assessment

<b>Subject of assessment:</b>	Part disposal of the Council's freehold interest in land at Middlehaven			
<b>Coverage:</b>	Service specific.			
<b>This is a decision relating to:</b>	<input type="checkbox"/> <b>Strategy</b>	<input type="checkbox"/> <b>Policy</b>	<input type="checkbox"/> <b>Service</b>	<input type="checkbox"/> <b>Function</b>
	<input type="checkbox"/> <b>Process/procedure</b>	<input type="checkbox"/> <b>Programme</b>	<input type="checkbox"/> <b>Project</b>	<input type="checkbox"/> <b>Review</b>
	<input type="checkbox"/> <b>Organisational change</b>	<input checked="" type="checkbox"/> <b>Other (please state)</b> Asset Management		
<b>It is a:</b>	<b>New approach:</b>	<input type="checkbox"/>	<b>Revision of an existing approach:</b>	<input checked="" type="checkbox"/>
<b>It is driven by:</b>	<b>Legislation:</b>	<input type="checkbox"/>	<b>Local or corporate requirements:</b>	<input checked="" type="checkbox"/>
<b>Description:</b>	<p><b>Key aims, objectives and activities</b> To assess the impact of the proposal to dispose of Council land.</p> <p><b>Statutory drivers (set out exact reference)</b> 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><b>Key stakeholders and intended beneficiaries (internal and external as appropriate)</b> The Council, the Buyer and the local community.</p> <p><b>Intended outcomes</b> The proposed disposal of the subject site would deliver the following outcomes:</p> <ul style="list-style-type: none"> <li>• Establish a viable and vibrant city centre living concept, which will give confidence to occupiers, developers and investors that the town centre is a safe, comfortable and well managed place in which to enjoy living, learning/working and leisure time.</li> <li>• The redevelopment of a key regeneration site.</li> <li>• The development of high quality mix of residential accommodation.</li> <li>• The generation of recurring Council Tax income.</li> <li>• A payment of New Homes Bonus.</li> </ul>			
<b>Live date:</b>	29 <sup>th</sup> September 2020			
<b>Lifespan:</b>	Not applicable			
<b>Date of next review:</b>	Not applicable			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
<p><b>Human Rights</b></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 land 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"> <li>the fact that the land is a brownfield site in a regeneration area;</li> <li>the development of a mix of high quality residential units that the disposal will facilitate; and,</li> <li>the establishment of a thriving urban living market, which will diversify the town centre economy.</li> </ul>
<p><b>Equality</b></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"> <li>eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;</li> <li>advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it, and</li> <li>foster good relations between persons who share a relevant protected characteristic and persons who do not share it.</li> </ol> <p>It is considered that the proposal to facilitate the development of new homes will not have a disproportionate adverse impact on a group, or individuals, because they hold a protected characteristic.</p>
<p><b>Community cohesion</b></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>The decision to dispose of the land to facilitate the development of new homes will not impact negatively on relationships between different groups. The decision would assist the Council's Housing Growth programme, ensuring a steady supply of high quality homes to meet the needs of its emerging and aspiring population.</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><b>The Mayor's Vision For Middlesbrough</b>            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 Elected Mayor of Middlesbrough has an ambition to attract an additional four thousand people to live in the town centre in the next ten years.</p> <p>The Mayor's ambition accords with the priorities for Place, set out in the Strategic Plan 2020-23, which states that the Council will:</p> <ul style="list-style-type: none"> <li>a) develop Middlehaven as a residential, leisure and commercial centre of national significance; and,</li> <li>b) build more town centre homes to boost businesses and increase vibrancy, while reducing the need to build on green space.</li> </ul>
<p><b>Organisational management / Change Programme</b>            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>The decision would not have any negative implications for the Council's transformation programme. The proposal will Council Tax, New Homes Bonus and Business Rates, which support the Council's Medium Term Financial Plan.</p>
<p><b>Next steps:</b></p> <ul style="list-style-type: none"> <li>➡ If the answer to all of the above screening questions is No then the process is completed.</li> <li>➡ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed.</li> </ul>				

<b>Assessment completed by:</b>	Claire Bell	<b>Head of Service:</b>	Steve Fletcher
<b>Date:</b>	27.08.20	<b>Date:</b>	27.08.20