

## EXECUTIVE SUB-COMMITTEE FOR PROPERTY

<b>Date:</b> Wednesday 5th February, 2025
<b>Time:</b> 4.30 pm
<b>Venue:</b> Mandela Room (Municipal Buildings)

### AGENDA

1. Apologies for Absence
2. Declarations of Interest

### EXECUTIVE MEMBER FOR DEVELOPMENT

3. The Disposal of Land at Hemlington Grange South - PART A 3 - 14
4. Any other urgent items which in the opinion of the Chair, may be considered.
5. Exclusion of Press and Public

To consider passing a Resolution Pursuant to Section 100A (4) Part 1 of the Local Government Act 1972 excluding the press and public from the meeting during consideration of the following items on the grounds that if present there would be disclosure to them of exempt information falling within paragraph 3 of Part 1 of Schedule 12A of the Act and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

6. **EXEMPT - The Disposal of Land at Hemlington Grange South - PART B** 15 - 24

This item is exempt as publicly identifying the buyer's names, the purchase prices and the valuations placed on the land would compromise the Council's ability to complete the sale and would restrict values upon any further transactions if the sale to the proposed buyers fell through.

Charlotte Benjamin  
Director of Legal and Governance Services

Town Hall  
Middlesbrough  
Tuesday 28 January 2025

## MEMBERSHIP

Mayor C Cooke (Chair) and Councillors T Furness, P Gavigan, L Henman, J Ryles, P Storey, J Thompson and N Walker

### **Assistance in accessing information**

**Should you have any queries on accessing the Agenda and associated information please contact Scott Bonner/ Chris Lunn (01642 729708/ 729742), 01642 729708/ 729742, [Scott\\_Bonner@middlesbrough.gov.uk](mailto:Scott_Bonner@middlesbrough.gov.uk)/ [Chris\\_Lunn@Middlesbrough.gov.uk](mailto:Chris_Lunn@Middlesbrough.gov.uk)**

<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	Director of Regeneration Director of Finance and Transformation
<b>Relevant Executive Member:</b>	Executive Member for Development Executive Member for Finance
<b>Submitted to:</b>	Executive Sub-Committee for Property
<b>Date:</b>	5 February 2025
<b>Title:</b>	Part A – The Disposal of Land at Hemlington Grange South
<b>Report for:</b>	Decision
<b>Status:</b>	Public
<b>Council Plan priority:</b>	Delivering Best Value
<b>Key decision:</b>	Yes
<b>Why:</b>	Decision(s) will incur expenditure or savings above £250,000
<b>Subject to call in?:</b>	Yes
<b>Why:</b>	Non-urgent report and can be called in by the Overview and Scrutiny Board

<b>Executive summary</b>	
<p>This report seeks Executive Sub Committee for Property approval for the disposal of Hemlington Grange South, following a competitive bidding process, to the preferred bidder for housing development. The report also seeks approval to conclude the process of removing associated land from a Public Open Space designation.</p> <p>The disposal of the site in return for a capital receipt to the Council which will assist with meeting the targets set out within the Medium Term Financial Plan. The site will provide quality family housing, ensuring there is an adequate supply of housing to stem outward migration and attract new residents into Middlesbrough. In addition to the funds generated from disposal the development of the site will add to the Council Tax base and, subject to central Government's spending review, has the potential to attract the New Homes Bonus development incentive.</p> <p>The Council has the option not to dispose of the land, however the absence of new development on this site, will result in foregoing critical income via capital receipts, council tax yields and potential New Homes Bonus for Middlesbrough Council.</p>	

## **Purpose**

1. For Executive Sub Committee for Property to consider the bids received by the Council, to approve the disposal of the site to the preferred bidder and conclude the process to remove the designation of associated land as Public Open Space.
2. The report is being considered by the Executive Sub Committee for Property as per the Council's Scheme of Delegation. The terms of reference for this group states that when not referred to the Mayor, Executive or Executive Member to determine, the Executive Sub-Committee for Property is delegated the power to consider and determine the acquisition and disposal of assets (including land and buildings), other than equipment, plant and machinery for resale, in accordance with the requirements of Financial Regulations and Contract Standing Orders.

## **Recommendations**

3. It is recommended that the Executive Sub Committee for Property:
  - a) notes the information contained in Part A of the report;
  - b) approves the disposal of the land at Hemlington Grange South to the preferred bidder, following consideration of the commercially confidential or exempt information contained in Part B of the report;
  - c) approves the removal of the Public Open Space designated for the associated development land;
  - d) delegates any necessary / technical amendments, to the Heads of Terms to the Valuation and Estates Manager in consultation with the Director of Regeneration; and,
  - e) delegates authority to the Director of Regeneration to conclude the additional Public Open Spaces process to allow the offsite highway improvement works to progress as per planning conditions.

## **Rationale for the recommended decision(s)**

4. The capital receipts arising from the disposal of the site will assist with meeting the targets set out within the Medium Term Financial Plan.
5. The site will be subject to the planning process and is targeted to provide quality family housing, ensuring there is an adequate housing supply, to stem outward migration and attract new residents into Middlesbrough. In addition, the development of the site will add to the Council Tax base and subject to central Governments spending review, has the potential to attract the New Homes Bonus development incentive.

## **Background and relevant information**

6. In July 2022, Executive approved the marketing and disposal of Hemlington Grange South site, for the purpose of enabling housing development.
7. Located towards the southern fringe of Middlesbrough, the site is a vacant, 7.05 hectare (ha) Council-owned site and is allocated within the adopted Housing Local Plan (2014).

8. Development Guidance was drafted for the site and this was subsequently adopted in October 2020 following public consultation. The development guidance provides design principles and expectations with regards to how the scheme should come forward in the future. The Development Guidance was provided to bidders as part of the tender pack when marketing the site; so that any bids would be truly reflective of the standard expected on the site.
9. The site constitutes the southeastern most section of the wider Hemlington Grange site, which is also allocated in the adopted Middlesbrough Housing Local Plan as a strategic urban extension comprising 1,230 dwellings. To date, detailed planning permission has been granted for 846 dwellings on the Hemlington Grange site, of which 699 have been completed and occupied. The Council is aware that the site is an extremely popular and successful development.
10. The site is ideally situated to enjoy the surrounding coastline and countryside with Saltburn by the Sea located around 14 miles to the east and the North York Moors National Park a relatively short drive to the south.
11. The site benefits from outline planning approval which was granted in April 2024, prior to site marketing. The site is estimated to be able to deliver up to a total of 150 units, subject to Planning, creating a high-quality development.
12. As part of the normal process of preparing the main allocated site for development, notices of intention to dispose of public space and notice of intention to appropriate open space for planning purposes were completed. No objections to the formal process were received, and it is therefore proposed the designation of Public Open Space is formally removed.
13. In addition, further notices will be issued for the intention to remove a parcel of land outside of the redline boundary for the main site as public open space and to appropriate the land for highway purposes. The land in question is shown within Appendix 2. This will allow the offsite highway improvement works to proceed as per the outline planning application conditions. This report will seek delegated authority for the Director of Regeneration to conclude this process.
14. 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 borough and attracting new residents from neighbouring areas. This will increase the vibrancy of the area, support Middlesbrough's overall economic growth ambitions and stem out migration.
15. The site was competitively marketed through the NEPO e-tendering portal between September and November 2024. Following the scoring of the bids, a preferred bidder has been identified.
16. The Ward Member for Stainton & Thornton has been briefed in relation to the proposed land disposal.
17. The anticipated timescales for delivery of this site are as follows:

- a) Highway Public Opens Space and Appropriation Process – February 2025
- b) Exchange of Contracts – March 2025
- c) Receive Deposit – March 2025
- d) Detailed Planning Application – October 2025
- e) Legal Completion – November 2025
- f) Developer Start on Site – January 2026
- g) First Completions – January 2027

**Other potential alternative(s) and why these have not been recommended**

- 18. The Council has the option not to dispose of the land, however the absence of new development on this site will result in forgoing critical income via capital receipts, council tax yields and potential New Home Bonus for Middlesbrough Council.
- 19. 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 place where people want to live and ensuring that high quality housing is available to all.

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

Topic	Impact
Financial (including procurement and Social Value)	<p>The Council will receive a capital receipt for the sale of Hemlington Grange South of which will be outlined within the confidential Part B report.</p> <p>Upon completion of the development, the Council will receive annual Council Tax of between £256,849 and £296,364 once the development is complete. This is based on the development of 130-150 units with an average property band D for the properties and using the 2024/25 Council Tax figures, but the actual amount will depend on the bandings of the houses built.</p> <p>Subject to Central Government spending review, the sale and subsequent development of the properties also has the potential to attract the New Homes Bonus development incentive.</p>
Legal	<p>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 procedures. The Council has a statutory duty to dispose of land for the best consideration that can be reasonably obtained.</p> <p>The Public Open Space Disposal and Land Appropriation process were and will be conducted under the Open Spaces Act 1906 and Under S122 (1) of the Local government Act 1972. As no representations were made following advertisement of the main development site, the Council will now complete this process. Delegated authority is sought to conclude the process for the offsite area identified within Appendix 2.</p> <p>Should a decision to proceed with the disposal (in accordance with planning reference 23/0390/OUT) a further appropriation notice will be necessary to achieve the highways works identified upon neighbouring land to the east as referred to in condition 12 of the outline planning permission.</p>

	All Council's governance processes will be observed accordingly throughout the disposal process.
Risk	<p>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.</p> <p>It must be noted that there is a risk that the preferred Bidder, will, subject to discussions with Planning withdraw from the process due to decreased viability.</p>
Human Rights, Public Sector Equality Duty and Community Cohesion	The attached Impact Assessment, attached as Appendix 1, has concluded that the decisions would not have any disproportionately negative impacts.
Climate Change / Environmental	<p>Biodiversity Net Gain is an approach to mitigate the impacts of development and improve an area's ability to host biodiversity. It makes sure that habitats for wildlife are left in a measurably better state than they were before the development.</p> <p>In England, Biodiversity Net Gain is mandatory under Schedule 7A of the Town and Country Planning Act 1990 (as inserted by Schedule 14 of the Environment Act 2021).</p> <p>Although this site gain outline approval before this legislation was passed, developers within their bids demonstrated their ambitions in relation to Biodiversity Net Gain. This means a development will result in more or better-quality natural habitat than there was before development.</p> <p>The development of new housing will adhere to all current planning and building control requirements.</p>
Children and Young People Cared for by the Authority and Care Leavers	The attached Impact Assessment, attached as Appendix 1, has concluded that the decisions would not have any disproportionately negative impacts.
Data Protection	Not Applicable

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

Action	Responsible Officer	Deadline
Highway Public Opens Space and Appropriation Process – February 2025	Ryan Harwood / Richard Horniman	February 2025
Exchange of Contracts	Ryan Harwood	March 2025
Receive Deposit	Ryan Harwood / Paul Shout	March 2025
Detailed Planning Application	Developer / Paul Clarke	October 2025
Legal Completion	Ryan Harwood	November 2025
Developer Start on Site	Developer	January 2026
First Completions	Developer	January 2027

## Appendices

1	Impact Assessment Level 1: Initial Screening Assessment
2.	Appropriation of Land for Highway Purposes

## Background papers

Body	Report title	Date
Executive	Strategic Housing Site Disposals - Part A	12 <sup>th</sup> July 2022

**Contact:** Peter Brewer, Housing Growth Project Officer

**Email:** [peter\\_brewer@middlesbrough.gov.uk](mailto:peter_brewer@middlesbrough.gov.uk)



Appendix 1 = Impact Assessment Level 1: Initial screening assessment

<b>Subject of assessment:</b>	Hemlington Grange South			
<b>Coverage:</b>	Site-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 checked="" 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 type="checkbox"/> <b>Other (please state)</b>		
<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></p> <p>To assess the impact of the dispose of Council land for residential development.</p> <p>Disposal of the assets are required to assist the Council in meeting its MTFP projections, reducing financial risk and uncertainty, and aligns with the Local Plan (2014).</p> <p><b>Statutory drivers</b></p> <p>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>Differences from any previous approach</b></p> <p>Not applicable.</p> <p><b>Key stakeholders and intended beneficiaries (internal and external as appropriate)</b></p> <p>The Council, developers and the local community.</p> <p><b>Intended outcomes</b></p> <p>The proposed disposals would allow the Council to secure capital receipts, generate Council Tax, redevelop underutilised land and</p>			

	<ul style="list-style-type: none"><li>• meet its obligations under the Local Plan (2014).</li></ul>
<b>Live date:</b>	December 2024
<b>Lifespan:</b>	Until the site is developed or the site allocation in the Housing Local Plan is removed/changed.
<b>Date of next review:</b>	Not Applicable

Screening questions	Response			Evidence
	No	Yes	Uncertain	
<b>Human Rights</b> Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?*	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	It is considered that the disposal of the subject parcels of land will not impact negatively on individual human rights as the proposal represents a significant and positive enhancement for the local and wider areas, which outweighs the loss of the parcel of land.
<b>Equality</b> 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?*	<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> <ul style="list-style-type: none"> <li>a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;</li> <li>b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it, and</li> <li>c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.</li> </ul> <p>It is considered that the proposal to facilitate the development of housing 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.</p>
<b>Community cohesion</b> Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?*	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	It is not considered that there will be any adverse impact on community cohesion or negative impact on relationships between different groups, communities of interest or neighbourhoods within the town.

\* Consult the Impact Assessment further guidance for details on the issues covered by each of these broad questions prior to completion.

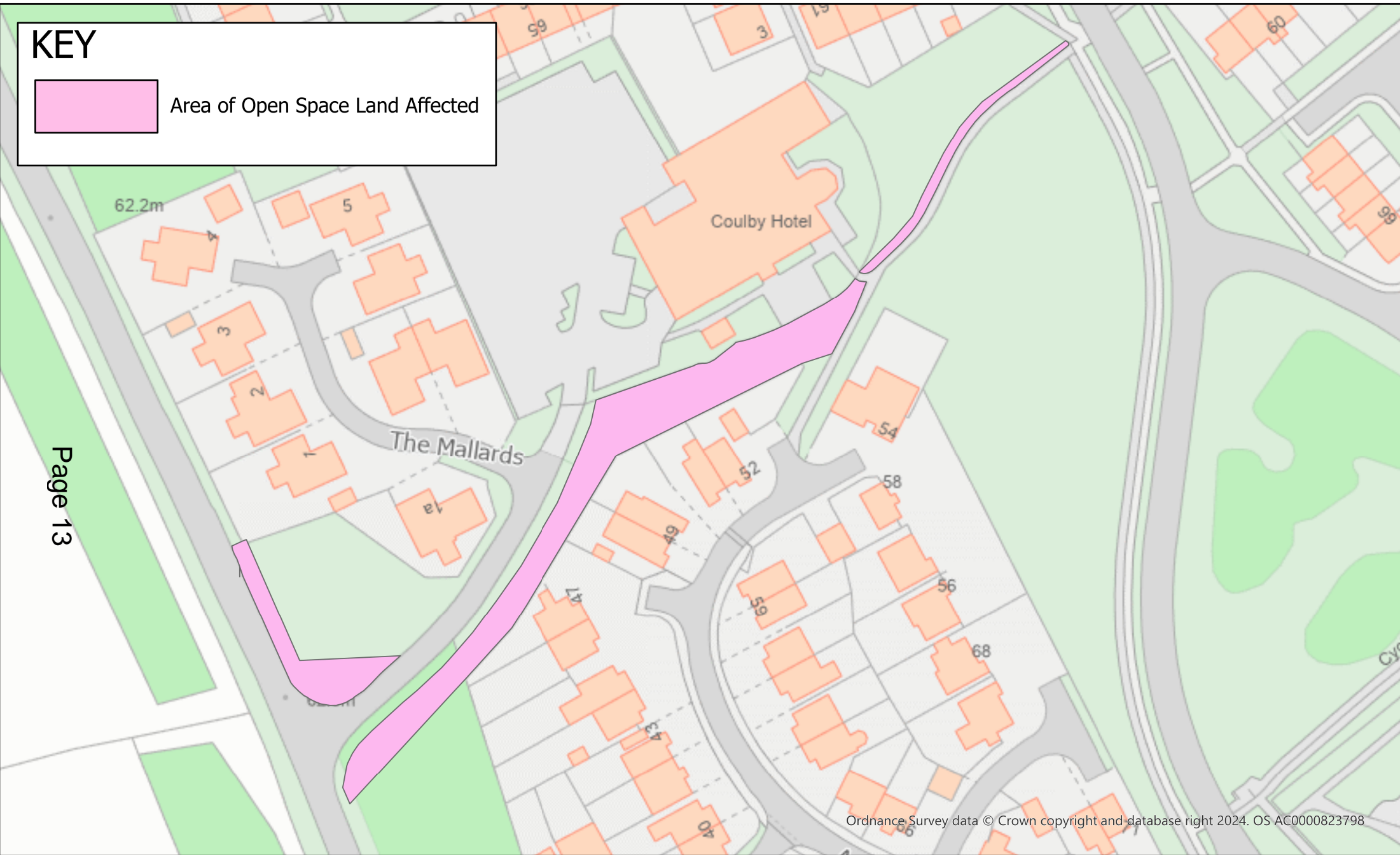
<p><b>Armed Forces</b></p> <p>Could the decision impact negatively on those who are currently members of the armed forces of former members in the areas of Council delivered healthcare, compulsory education and housing policies?*</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>There are no concerns that the proposal could have an adverse impact on community cohesion.</p> <p>The decision to deliver the projects will provide a positive impact on currently and former members of the armed forces.</p>
<p><b>Care leavers</b></p> <p>Could the decision impact negatively on those who are care experienced?*</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 care leavers.</p> <p>The decision to deliver the projects will provide a positive impact on those who are care experienced.</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>				

<p><b>Assessment completed by:</b></p>	<p>Peter Brewer</p>	<p><b>Head of Service:</b></p>	<p>Sam Gilmore</p>
<p><b>Date:</b></p>	<p>16/12/2024</p>	<p><b>Date:</b></p>	<p>16/12/2024</p>


# KEY



Area of Open Space Land Affected



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<b>Middlesbrough Council</b> <b>Open Space Land Appropriation</b> <b>Plan</b>	Plan Ref. AP-2024-01	Plan Size: A4	Scale: 1: 1,000	
	Location: Coulby Farm, Stokesley Road, Coulby Newham, Middlesbrough, TS8 9DX		Date Created: 30/10/2024	

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

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