

EXECUTIVE SUB-COMMITTEE FOR PROPERTY

A meeting of the Executive Sub-Committee for Property was held on Wednesday 4 September 2024.

PRESENT: Councillor P Storey (Chair), Councillors T Furness, P Gavigan, J Thompson, Z Uddin and N Walker

ALSO IN ATTENDANCE: Councillor M McClintock

OFFICERS: S Bonner, B Carr, C Cunningham, A Davis, G Field, S Gilmore, A Glover, C Heaphy, R Horniman and A Humble

APOLOGIES FOR ABSENCE: C Cooke - Elected Mayor

24/1 **DECLARATIONS OF INTEREST**

There were no declarations of interest received at this point in the meeting.

24/2 **EXCLUSION OF PRESS AND PUBLIC**

SUSPENSION OF COUNCIL PROCEDURE RULE NO. 4.13.2 – ORDER OF BUSINESS

The Chair proposed a change to the order of business to allow Members the opportunity to consider the exempt information contained in Appendix 4 of the report before considering the information in the open report.

In accordance with Council Procedure Rule No. 4.57, Executive agreed to vary the order of business to deal with the items in the following order: 4, 5 and 3.

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 Paragraphs 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.

24/3 **EXEMPT - THE DISPOSAL OF LAND AT NUNTHORPE GRANGE - APPENDIX 4**

The Executive Member for Regeneration submitted an appendix containing exempt information associated with agenda item 3 (The Disposal of Land at Nunthorpe Grange) for Executive's consideration.

AGREED

That the contents of the appendices be noted.

REASONS

For reasons outlined in the report at agenda item 3.

24/4 **THE DISPOSAL OF LAND AT NUNTHORPE GRANGE**

The Executive Member for Regeneration submitted a report for Members consideration, the purpose of which was to seek Executive approval for the private treaty sale of land at Nunthorpe Grange for the development of housing and an elderly persons care home.

Executive considered a report on the 23rd December 2023 and approved the marketing and disposal of a 14.03ha site at Nunthorpe Grange for the development of new homes.

The subject parcel of land identified for disposal formed part of a much larger, now defunct, agricultural landholding situated at Nunthorpe Grange Farm close to both Poole Roundabout

on the junction of Guisborough Road [A1043] with Stokesley Road, and the site of the newly constructed Nunthorpe Medical Centre building.

Policy H29 of the Housing Local Plan allocated land at Nunthorpe Grange Farm for the development of high quality, mixed, medium to higher density housing. In addition to the subject site held by the Council at Guisborough Road, the LPF housing allocation includes two parcels of privately owned land, together with a further parcel of land held by the Council earmarked for mixed community purposes.

The parcel of land was farmed for a number of years under an agricultural tenancy, prior to the Council acquiring the subject lease in April 2018. Letting of the land continued via a Farm Business Tenancy in the interim, thus affording the Council opportunity to continue drawing revenue income from the asset until the formal decision was made by the Council to bring the same forward for disposal.

The Ward Member for Nunthorpe expressed concern that, despite his approaches to relevant Council services, he had not received responses to his queries. They also expressed concern that the deal to dispose of the land would jeopardise future Section 106 monies. It was clarified that the sale of the land would not affect Section 106 negotiations as this fell within the Planning process which was separate to this decision.

ORDERED that Executive approve:

- a) the private treaty sale of land at Nunthorpe Grange to Housing Developer (Ref A – Exempt Appendix 4) for the development of housing for the sum of (Ref B – Exempt Appendix 4); and,
- b) the private treaty sale of land at Nunthorpe Grange to Care Home Provider (Ref C – Exempt Appendix 4) for the development of an elderly persons care home for the sum of (Ref D – Exempt Appendix 4).

OPTIONS

Don't sell the land

This would have resulted in the Council foregoing the benefit of the capital receipt which was required to support the delivery of the MTFP. In addition, there would have been no opportunity on the site to grow Council Tax revenue and business rates revenue over the longer term. Failure to dispose of the land would be contrary to the Local Plan (2014). The overall integrity of the Local Plan depended upon the land supply identified within it being made available; the Council would have been open to significant challenge from the housebuilding industry if it were seen to constrain land supply.

Furthermore, this approach would have resulted in abortive costs to date of (Ref O: Exempt Appendix 4) for the Council resulting from the surrender of the farming tenancy, and assuming no onward disposal.

Sell the land after undertaking due diligence and achieving outline planning approval.

The Council's proven financial approach to housing site disposals had been to maximising capital receipts by 'de-risking' sites. This involved undertaking site investigation works, producing design guidance or masterplans and gaining outline planning approval to competitively market sites. As outlined above, this approach may have generated a higher capital receipt at a stage in the future, but there were benefits associated with receiving a guaranteed receipt earlier than anticipated.

It remained the case that undertaking measures to de-risk sites, bringing sites to sale and the competitive marketing of sites, was the preferred route for the disposal of sites and demonstrated best value in terms of the capital receipts achieved. However, the payment schedule, timing and relative value of this proposal was closely reflective of the independent valuation for the site and was, therefore, worthy of Executive consideration.

Enter a Joint Venture

Independent advice and professional analysis consistently drew the conclusion that the proposal to collaborate with external partners on the disposal and delivery of housing site did not present Best Value for Money for the Council.

REASONS

Disposal of land at Nunthorpe Grange met the established objectives of Policy H29 of the Housing Local Plan, which allocated land at Nunthorpe Grange Farm for the development of high quality, mixed, medium to higher density housing. The development would make a significant contribution to the prescribed national housing targets for Middlesbrough. In addition, securing a significant capital receipt in the 2024/25 financial year would assist in achieving the required level of receipts to support the delivery of the main capital programme and the Council's Transformation portfolio.

All decisions 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.