

Report of:	Ian Wright, Director of Finance Councillor Chris Hobson, Executive Member for Finance and Governance
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Submitted to:	Executive Committee - 19 January 2021
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Subject:	Land Adjacent Former Middlesbrough Warehouse Site, South Bank Road/James Street, North Ormesby - Disposal [Part A]
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Summary

Proposed decision(s)

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.

Report for:	Key decision:	Confidential:	Is the report urgent?¹
Decision to dispose of land	Yes – exceeds the £150,000 threshold.	No	No.

Contribution to delivery of the 2020-23 Strategic Plan

People	Place	Business
The proposal to dispose of the property will aid the creation of employment opportunities within the Borough.	The repurposing of the subject property 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 property will generate a significant capital receipt for the Council and help underpin its Medium Term Financial Plan.

Ward(s) affected

North Ormesby

What is the purpose of this report?

1. The purpose of the report is to consider the proposal to dispose of the Council's freehold interest in land adjacent the former Middlesbrough Warehouse Site.

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.

Report Background

3. Shown edged red on plan VAL 6048, attached at Appendix A of this report, the subject property is situated on James Street occupying an irregular shaped site measuring @ 3.21 Acres [1.55 Ha], in a visually prominent position adjacent the A66 at North Ormesby.
4. An Asset Disposal Business Case (ADBC) confirming the status of the subject property as surplus to operational Council requirements is attached as Appendix C to Part B of this report.
5. In accordance with the ADBC, Align Property Partners were instructed to market the site for sale on behalf of the Council and to invite unconditional offers for the Council's freehold interest by 20th November 2020.
6. Marketing commenced in early September. Align reported a very healthy interest in the site which resulted in nine offers being submitted by the closing date and these are outlined in Part B of the report.

What decision(s) are being asked for?

7. 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?

8. In order to meet the Council's requirements to generate capital receipts, increase annually recurring revenue streams and to bring the subject property into a far more beneficial use in the future.
9. 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

10. No Council operational service requirement has been identified.

Other uses

11. Although the property is capable of being used for other purposes, future use of the site for industrial/commercial purposes as proposed by the Buyer, is preferred.

Do nothing

12. The Council would not receive a significant capital receipt and the property would remain in its present state.
13. Whilst the subject property 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.

Impact(s) of recommended decision(s)

Legal

14. No specific legal issues have been created as a result of the proposal.
15. The property would be disposed of freehold with vacant possession in accordance with standing disposal protocol.

Financial

16. The Council would receive a capital receipt plus fees without the need to incur any further marketing costs.
17. The disposal of the site would remove the Council's liability for any future maintenance costs while it remains unused.
18. The disposal would result in 3% of the capital receipt being used for the benefit of the North Ormesby Ward.

The Mayor's Vision For Middlesbrough

19. The decision aligns to the Mayor's priorities around people, place & business by working in conjunction with third party organisations and individuals, such as the Buyer, to deliver both physical and social regeneration.

Policy Framework

20. The proposals do not require any change to the Council's existing policy framework.

Ward

21. The property is situated in the North Ormesby Ward and the respective Ward Member has been consulted.
22. Members will be further consulted on any subsequent proposal made as part of the normal planning process.

Equality and Diversity

23. A Level 1 (Initial Screening) Impact Assessment (IA) accompanies this report attached at Appendix B.
24. 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.
25. 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

26. Due to the impact of the ongoing health crisis on the local property market, the likelihood of the Council being able to identify an alternate buyer prepared to proceed on similar terms, exchange contracts and complete the matter legally during the current financial year is questionable.

Actions to be taken to implement the decision(s)

27. 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

Appendix B - Impact Assessment Level 1 - Initial Screening Assessment

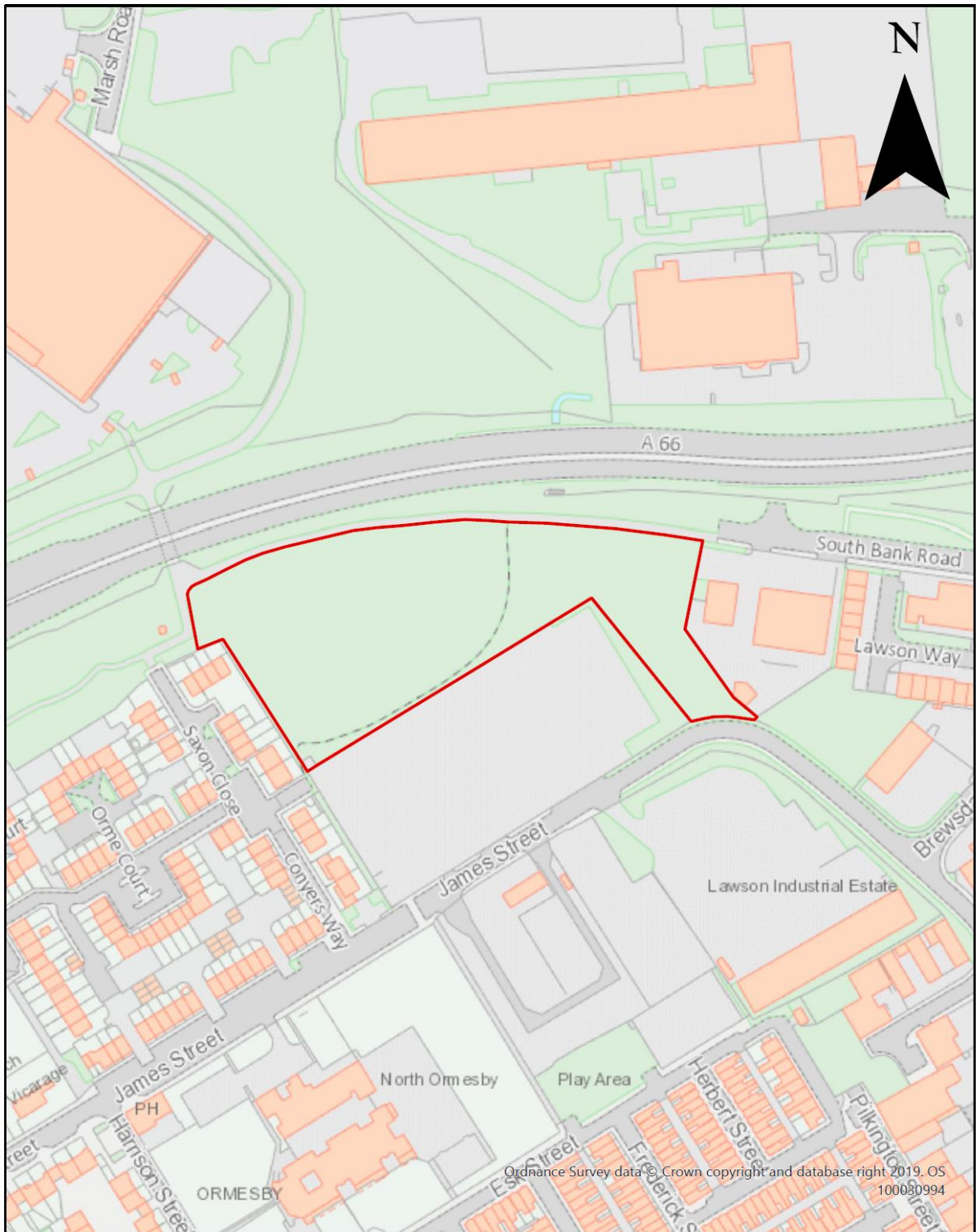
Background papers


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

Body	Report title	Date
N/A	N/A	N/A

Contact: Ian Roberts, Principal Valuer
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Site Plan



 <p>©Crown Copyright and database rights 2019 Ordnance Survey LA10023413</p>	<p>LAND TO THE REAR OF MIDDLESBROUGH WAREHOUSE NORTH ORMESBY MIDDLESBROUGH</p>	Scale : 1:1250
		Date : 26 - 02 - 20
		Drawn : JMS
		Drg No : VAL 6048

Impact Assessment Level 1 – Initial Screening Assessment

Subject of assessment:	Disposal of the Council’s freehold interest in land adjacent the former Middlesbrough Warehouse Site, James Street, Middlesbrough TS3 6LD			
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 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>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 subject property is a cleared development site and has sat unused for a number of years. There are no Council staff, or services that will be affected by the disposal proposed. Future use will be for the purposes of industrial/commercial use.</p> <p>Key stakeholders and intended beneficiaries (internal and external as appropriate) The Council, buyer and the local community.</p> <p>Intended outcomes The proposed disposal of the subject property would:</p> <ul style="list-style-type: none"> • generate a significant capital receipt for the Council; • 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 economic activity in the local area, and bring the subject property back into a more positive future use. 			
Live date:	Tuesday 19 th January 2021			
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>	☒	☐	☐	<p>It is considered that the disposal of the subject property will not impact negatively on individual human rights. The proposal represents a significant and positive enhancement for both the locality and the wider area, far outweighing the transfer of the property from the Council's Estate holding. 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>	☒	☐	☐	<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.</p> <p>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>It is considered that the proposal will not have a disproportionate adverse impact on a group, or individuals, because they hold a protected characteristic.</p> <p>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.

<p>Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?*</p>	☒	☐	☐	<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>Middlesbrough 2025 – Our Vision Could the decision impact negatively on the achievement of the vision for Middlesbrough?*</p>	☒	☐	☐	<p>The disposal will facilitate regeneration and 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. 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 Could the decision impact negatively on organisational management or the transformation of the Council’s services as set out in its Change Programme?*</p>	☒	☐	☐	<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:	Ian Roberts	Head of Service:	Louise Grabham
Date:	07/12/2020	Date:	07/12/2020