

Report of:	Executive Member for Environment and Finance & Governance - Councillor Barrie Cooper Executive Member for Regeneration - Councillor Eric Polano Director of Finance - Ian Wright Director of Regeneration and Culture - Richard Horniman
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Submitted to:	Executive - 10 August 2021
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Subject:	Nunthorpe Grange Farmhouse, Yard & Barns - Disposal
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Summary

Proposed decision(s)
That Executive approves the proposal to proceed with the disposal of the Council's freehold interest in Nunthorpe Grange Farmhouse, Yard & Barns.

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

Contribution to delivery of the 2020-23 Strategic Plan		
People	Place	Business
The proposed disposal will contribute towards choice and increase both the quality and quantity of homes available to residents within the Borough	Disposal of the subject property will bring a vacant and underutilised Council asset into far more positive future use.	The proposal will generate a significant capital receipt for the Council and help underpin its Medium Term Financial Plan.

Ward(s) affected
Nunthorpe

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 Nunthorpe Grange Farmhouse, Yard & Barns.

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 on the plan attached as Appendix A of this report, the subject property is situated on Church Lane and occupies a rectangular shaped site measuring @ 2.37 Acres [0.959 Ha].
4. The property comprises a relatively modern farmhouse, yard and barns that form part of a much larger, now defunct, agricultural holding that has sat vacant since being surrendered by the Council's former farm tenant in 2018.
5. The Council proposes to market the property in local, national and digital media prior to offering it for open market sale at an auction event during the current financial year 2021/2022.
6. From a valuation perspective, the property is listed on the Council's asset register at a value of £460,000. This value is predicated on the imposition of a restrictive covenant that will limit use of the property to a single residential dwelling only. Future use of the barns for commercial, recreation or leisure purposes will not be restricted, with the Council being able to control any proposals to do so via the statutory planning process.
7. The Council's nominated auctioneer has valued the property at a figure of £470,000 and advised that it should be presented for sale at the subject auction event with a guide price of £415,000 and a reserve price of £460,000 plus fees.
8. An Asset Disposal Business Case confirming the status of the subject property as surplus to operational Council requirements is attached as Appendix B.

What decision(s) are being asked for?

9. That Executive approves the proposal to dispose of this property via auction if the price exceeds the reserve sum of £460,000 plus fees.

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 property into a 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 property is capable of being used for other purposes, future use of the property as a single residential dwelling only is preferred.

Do nothing

14. The property would remain in its present state.

15. 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

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

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

18. To protect Church Lane from over development, the Council will impose a restrictive covenant limiting the residential use of the property to that of a single dwelling only.

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 property would remove the Council's liability for any future maintenance costs while it remains unused.

21. The disposal methodology proposed will ensure payment of best consideration.

The Mayor's Vision For Middlesbrough

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

Policy Framework

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

Ward

24. The property is situated in the Nunthorpe Ward and the respective Ward Members have been consulted.
25. Members will be further consulted on any subsequent proposal made as part of the normal planning process.

Equality and Diversity

26. A Level 1 (Initial Screening) Impact Assessment (IA) accompanies this report attached at Appendix B.
27. 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.
28. 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

29. Located in an isolated rural area, the property remains vulnerable to trespass, vandalism and other similar acts of anti-social behaviour. Should the proposal to dispose of the property via auction fail to deliver a workable sale, the Council will be required to bear the costs of holding and maintaining the property going forward.

Actions to be taken to implement the decision(s)

30. Subject to Executive Committee approval, the Council moves to:
 - a. Advertise the subject property on the open market for sale via an auction event during the current financial year 2021/2022.
 - b. Proceed with the disposal of the subject property if the price exceeds the reserve sum of £460,000 plus fees.

Appendices

Appendix A – Site Plan – Nunthorpe Grange Farmhouse, Yard & Barns

Appendix B – Asset Disposal Business Case

Appendix C – 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: David Velemir, Valuation & Estates Manager

Email: david_velemir@middlesbrough.gov.uk

Site Plan – Nunthorpe Grange Farmhouse, Yard & Barns



 <p>©Crown Copyright and database rights 2019 Ordnance Survey LA10023413</p>	<p>Nunthorpe Grange Farmhouse & Barns Church Lane Middlesbrough</p>	Scale : 1:1,250
		Date : 05/05c/2021
		Drawn : E.S
		Drg No : VAL 5209 B

Asset Disposal Business Case

Name of Asset:	Nunthorpe Grange Farmhouse, Yard & Barns - Church Lane, Nunthorpe, Middlesbrough TS7 0FD
Asset Register Number:	21062/003
Current Use:	Vacant residential dwelling & associated outbuildings
Valuation at Current Use (Asset Register)	£460,000
Reason for Disposal:	Proposed disposal of a farmhouse, yard & barns, set in a total area of 2.37 Acres [0.959 Hectares] at Nunthorpe Grange Farm. The subject property currently forms part of a much larger, now defunct, agricultural holding situated on Church Lane in the Nunthorpe Ward of Middlesbrough. Disposal, as proposed, will generate a significant capital receipt for the Council.
Latest Valuation (Proposed Disposal)	£470,000

Asset disposal stream (Please Select):

Generate Capital Receipt	✓
Stimulate Economic Activity	
Support Communities	

(In the event of more than one stream being relevant, please rank in order of importance – 1, 2 & 3)

Officer requesting disposal (Responsible Service Manager):

Name:	Richard Horniman
Position:	Director of Regeneration

Could the asset be disposed of for an alternative use that may give a higher capital receipt to the Council:

Yes		No	✓
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(To be completed by the Valuation & Estates Team)

If yes, please outline the potential use:

N/A

Estimated Value at Alternative Use	£ N/A
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Is the Council proposing to dispose of the asset at an undervalue:

Yes		No	✓
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(To be completed by the Valuation & Estates Team)

If yes, please outline the reasons why, and how, the proposed disposal will secure, promote or improve economic & social well-being:

N/A

Key factors to be considered when assessing potential disposals:

1.	A significant capital receipt would be generated
2.	Provision of recurring income [Business Rates & Council Tax] in perpetuity

Any additional financial factors to be considered other than immediate capital receipt:

The property forms part of a much larger agricultural land holding that was surrendered in April 2018.

Disposal of the subject property would generate a capital receipt for the Council, and also transfer away liability for the costs of holding and maintaining the same in the future.

Local Agents have advised that due to the condition of the property a disposal via Auction would be the best course of action – on the basis that such methodology is both open and competitive, ensures the best possible price in the market is payable, whilst also guaranteeing legal completion within 28 days.

Asset Not Needed by the Council - Approved to proceed:

Head of Asset Management:	(Yes) Tick	No (Tick)	Date:
<i>David Jamison</i>	✓		16/06/2021

Preferred method of marketing:

Formal/Informal Offers	
Private Treaty	
Auction	✓
Community Asset Transfer Process	

(To be completed by the Valuation & Estates Team prior to marketing)

Method for final approval:

Estimated Value:	Approval Required:	Authorised:	Date:
Up to £50,000	Valuation & Estates Manager		
Between £50,000 and £150,000	Director of Finance		
More than £150,000	Executive Committee	<i>David Valenti</i>	16/06/2021

(To be completed by the Valuation & Estates Team prior to marketing)

Impact Assessment Level 1 – Initial Screening Assessment

Subject of assessment:	Disposal of the Council's freehold interest in Nunthorpe Grange Farmhouse, Yard & Barns, Church Lane, Nunthorpe, Middlesbrough TS7 0FD			
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 has been unused since April 2018. There are no Council staff, or services that will be affected by the proposal. Future use of the property will limited to that of a residential dwelling with any other associated uses being subject to the statutory planning process.</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; • remove the Council's liability for future holding costs, transfer away responsibility for and maintenance of the property, and • help bring the subject property back into a far more positive future use. 			
Live date:	Tuesday 13 th July 2021			
Lifespan:	Not applicable.			
Date of next review:	Not applicable.			

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>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;
<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>	☒	☐	☐	<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>The Mayor's Vision For Middlesbrough Could the decision impact negatively on the achievement of the vision for Middlesbrough?*</p>	☒	☐	☐	<p>The proposed disposal aligns with 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.</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:	David Velemir	Head of Service:	Louise Grabham
Date:	19/05/2021	Date:	19/05/2021