

MIDDLESBROUGH COUNCIL

EXECUTIVE SUB-COMMITTEE FOR PROPERTY

**LAND AT COLLEGE ROAD, MIDDLESBROUGH TS3 9EW
PROPOSED FREEHOLD SALE – PART A**

Executive Member for Finance & Governance: Councillor Nicky Walker
Strategic Director for Finance, Governance & Support: James Bromiley

Date: 22nd March 2017

PURPOSE OF THE REPORT

1. The purpose of the report is to consider the proposal to dispose of the Council's freehold interest in land at College Road, and seek approval to proceed with the sale of the premises in accordance with the report's recommendations.

SUMMARY OF RECOMMENDATIONS

2. To proceed with the disposal of the subject property to Bidder A as detailed in Part B of this Report.

IF THIS IS A KEY DECISION WHICH KEY DECISION TEST APPLIES?

3. It is over the financial threshold (£150,000)
It has a significant impact on 2 or more wards
Non Key

DECISION IMPLEMENTATION DEADLINE

4. For the purposes of the scrutiny call in procedure this report is
Non-urgent
Urgent report

BACKGROUND

5. Situated on the junction of College Road and Cargo Fleet Lane, the subject site is located within a mixed education, leisure and residential area of the town.
6. Shown edged on the plan attached, the subject property comprises a vacant residential development site of @ 7.11 Acres [2.88 Ha] with an access on College Road and significant frontage to Cargo Fleet Lane.
7. All of the buildings making up the former Erimus Training Centre Complex previously situated on the site were demolished in November 2005 - the site being cleared with the exception of roadways, paths, foundations and basements.
8. In May 2016, Bidder A queried the availability of the subject site, confirming an interest to acquire it for the purpose of residential development.
9. Future use of the subject site for the purposes of residential development accords with both the Local Plan Framework - within which the site is allocated for residential development @ 100 units, and also the Council's strategy to bring forward for development sites capable of being used to build new homes in Middlesbrough.
10. Following a period of investigation and further negotiation, Bidder A subsequently made a formal offer to the Council for the site - this being set out in Part B of this report, which the Council has deemed to be acceptable.

IMPACT ASSESSMENT (IA)

11. A Level 1 (Initial Screening) Impact Assessment (IA) accompanies this report in Appendix 1.
12. The impact assessment identified that the proposal would have a positive impact on the local community as it would make it more likely that the property, which is vacant and surplus to Council needs, was brought back into a more beneficial future use.
13. The impact assessment undertaken found that there were no concerns that the proposal could have an adverse impact. In addition, the Council's development control planning process would also serve to ensure that any future use proposed would be appropriate for the local area.

OPTION APPRAISAL/RISK ASSESSMENT

14. **Option 1:** To reuse the property for another purpose - no Council operational requirement has been identified.
15. **Option 2:** To proceed with the sale of the property in accordance with the recommendations made in this report – in order to meet the Council's requirement to generate capital receipts, increase annually recurring revenue streams and to bring the building and land into a far more beneficial use in the future.

16. **Option 3:** Do nothing – the property would remain in its present state. Whilst the subject site would be retained for potential future Council use, the liability and responsibility for maintaining and holding the property would remain with the Council in the interim.

FINANCIAL, LEGAL AND WARD IMPLICATIONS

17. **Financial** – The Council would receive a capital receipt plus fees, without the need to incur any further marketing costs.
18. **Legal** – The property will be disposed of freehold with vacant possession.
19. **Ward** – The property is situated in the Brambles & Thorntree Ward and the respective Ward Members have been consulted on the potential to dispose of the property.
20. Members will also be consulted on any subsequent proposal as part of the normal planning process.

RECOMMENDATIONS

21. To proceed with the disposal of the subject property to Bidder A as detailed in Part B of this Report.

REASON

22. This will result in the disposal of a surplus property in return for a capital receipt to the Council and assist in the regeneration and enhancement of the local area.

BACKGROUND PAPERS

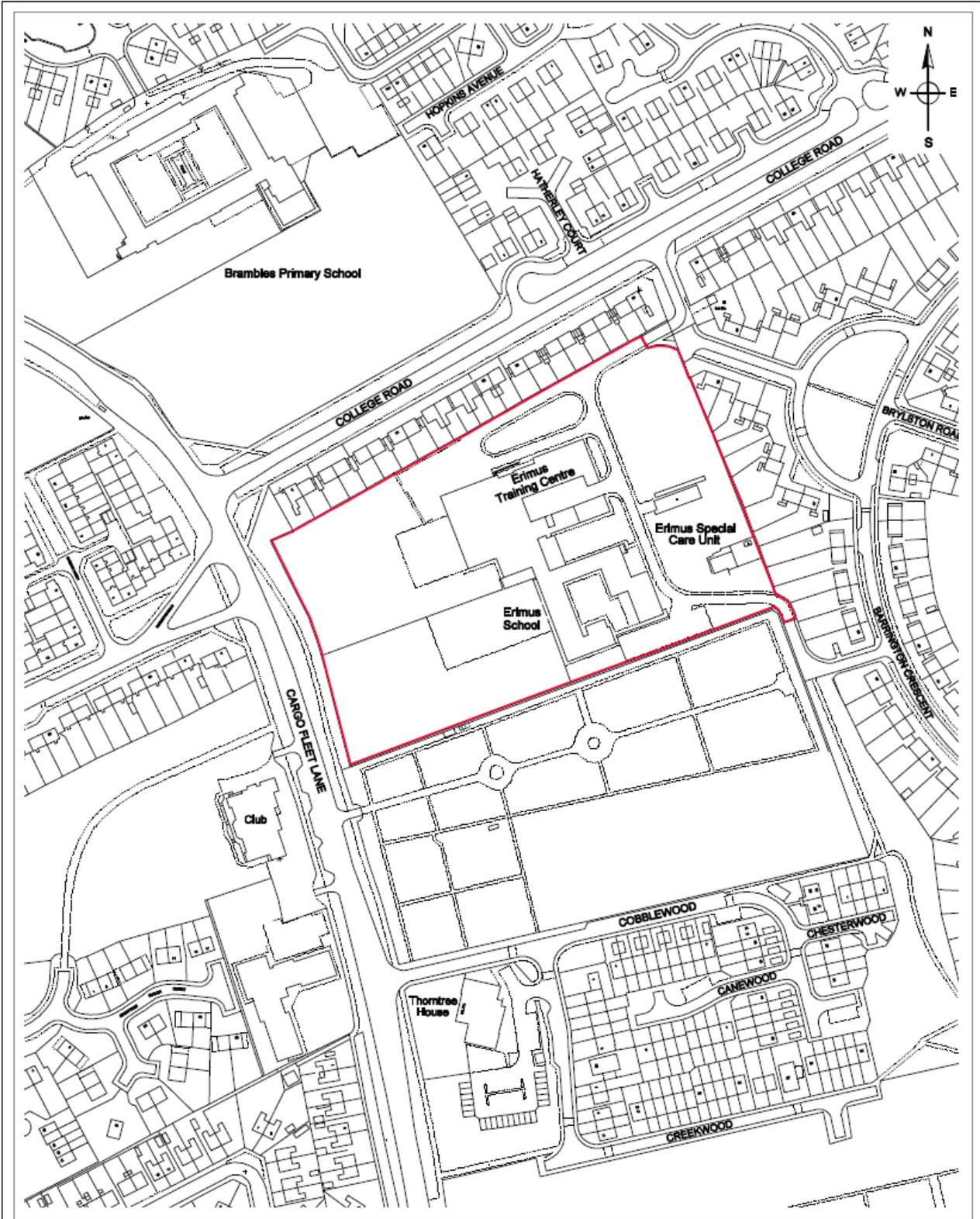
No background papers were used in the preparation of this report

Contact Officer: David Velemir

Tel No: 729108

Email Address: david_velemir@middlesbrough.gov.uk

Website: <http://www.middlesbrough.gov.uk>



TIM WAKE VALUATION & ESTATES

**ERIMUS CENTRE
COLLEGE ROAD
MIDDLESBROUGH**

Scale:	1:2500
Date:	5th MARCH 13
Drawn:	JMS
Drg No:	VAL 5391

© Crown Copyright and database rights 2011 Ordnance Survey LA100023413.

Appendix 1 - Impact Assessment Level 1: Initial screening assessment

Subject of assessment:	Disposal of the Council's freehold interest in the land at College Road, Middlesbrough TS1 1JL			
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 Formerly used by the Council as a training centre for social care purposes, the subject property was cleared in 2005 and has stood vacant ever since. There are no Council staff, or services that will be affected by the disposal as proposed. Future use will be for residential development.</p> <p>Key stakeholders and intended beneficiaries (internal and external as appropriate) The Council, preferred bidder and the local community.</p> <p>Intended outcomes The proposed disposal of the subject site would:</p> <ul style="list-style-type: none"> • generate a significant capital receipt for the Council; • help meet the borough's housing requirement; • 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 development in the local area, and bring the subject property back into a more positive future use. 			
Live date:	Thursday 23 rd February 2017.			
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 as the proposal represents a significant and positive enhancement for the local and wider area, which outweighs the loss of the building and parcel of land. 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>Due to the subject property being located within close proximity to the areas of recreational open space provided along Cargo Fleet Lane, 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.

Screening questions	Response			Evidence
<p>Community cohesion</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>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 2020 – Our Vision</p> <p>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 disposal of Vancouver House is intended to facilitate regeneration, and as such, it is considered that it will 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</p> <p>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>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:	Ian Wright
Date:	23/02/2017	Date:	23/02/2017