

North Tyneside Council Report to Cabinet 14 July 2014

ITEM 7(d)

Property Considered
Surplus to the Authority's
Requirements

Portfolio(s): Finance

Cabinet Member(s): Cllr R Glindon

Report from Service Area: Environment and Leisure

Responsible Officer: Phil Scott, Head of Environment and Leisure (Tel: 643 7295)

Wards affected: Valley
Riverside
Killingworth
Wallsend

PART 1

1.1 Purpose

The purpose of this report is to declare a number of Authority owned properties surplus to requirements and available for sale. Any capital receipts obtained will contribute towards funding the Authority's Investment Plan.

This report advises Cabinet on the properties identified and seeks approval to the recommendations made.

1.2 Recommendation

It is recommended that Cabinet:-

1. declares the properties detailed in the schedule attached to this report at Appendix 1, surplus to the Authority's requirements and available for sale by an appropriate method of marketing;
2. authorises the Head of Environment and Leisure, in consultation with the Elected Mayor, to make minor amendments to the boundary of each property detailed in the schedule if necessary, as permissible within the Authority's legal powers and/or as land owner;
3. authorises the Head of Environment and Leisure in consultation with the Chief Executive, the Head of Law and Governance and the Elected Mayor to accept the best bids where properties are marketed by sealed bids;

4. authorises the Head of Environment and Leisure in consultation with Chief Executive, the Head of Law and Governance and the Elected Mayor, to agree a minimum sale price acceptable to the Authority in advance of an auction where it is considered that this is the most appropriate method of sale for a property;
5. authorises the Head of Environment and Leisure, in consultation with the Chief Executive, the Head of Law and Governance and the Elected Mayor to agree the final terms of disposal if it is considered appropriate to sell a property by private treaty, subject to the sale price being considered best value;
6. authorises the the Head of Environment and Leisure, in consultation with the Chief Executive, the Head of Law and Governance and the Elected Mayor, to instruct the Capita Property Team to complete negotiations for the sale of each property in accordance with all relevant legal requirements, the Authority's Constitution and Financial Regulations;
7. authorises the Head of Environment and Leisure to deal with all ancillary matters arising that are consistent with the preceding recommendations.

1.3 Forward plan

28 days notice of the report has been given and it was published on the Forward Plan on 2 June 2014.

1.4 Council plan and policy framework

The report is relevant to the following priorities set out in Our North Tyneside, the Council Plan 2014 to 2018:

Our Places

Have more quality affordable homes.

Work with residents, communities and businesses to regenerate the borough.

1.5 Information

1.5.1 Background

Attached to this report at Appendix 1, is a schedule of properties that are considered to be surplus to the Authority's requirements and suitable for sale. Supplementary plans are attached to Appendix 1 showing the boundary of each property by way of dark outline.

The proposed disposal of these properties has been considered by the Strategic Property Group and cleared to take forward for formal consideration by Cabinet.

Property 1 – Land at East Holywell Farm, Backworth.

The land identified is adjacent to Backworth Auto Dismantlers on the western side of the Earsdon to Backworth Road. The site is located within the greenbelt and may be suitable for agricultural or grazing purposes. It is proposed to enter the property into an auction as an appropriate method of sale.

Property 2 – Land South of Howdon Road, North Shields.

The land comprises open space/amenity land South of Howdon Road which abuts land held by the Port of Tyne. The Port is seeking to regularise and consolidate their land ownership in order to facilitate inward investment as part of the Port of Tyne's Enterprise Zone area.

It is proposed to sell Sites A, C and E without restriction to the Port in order to facilitate the development required to attract investment whilst sites B and D will be transferred subject to restrictive user clauses to use the land for ongoing amenity and open space purposes.

Property 3 – Land North of the Sita Waste Transfer Station, Wallsend Road, North Shields.

The site is currently vacant having been previously let as a gas bottle and industrial equipment store until early 2012. The site has been used by Sita for storage purposes on an ad hoc basis, and, although initial interest has been expressed by Sita for land to expand their Waste Transfer site, no formal discussions have taken place to date.

It is proposed to hold formal discussions with Sita to determine their interest in the site. In the event that Sita do not wish to pursue a private treaty acquisition of the site then it is proposed to formally market the property on a leasehold basis with it being suitable for a number of general industrial purposes including storage.

Property 4 – Land at John Arrol Field, Great Lime Road, Palmersville.

This is vacant land that has been subject to issues relating to illegal grazing. The land was historically identified for recreational purposes however, no form of recreational activity has occurred on the land for over twenty years.

Initial planning advice has suggested that the site may be suitable for residential development, however, the site is not capable of being accessed off Great Lime Road due to its close proximity to the signal controlled junction at the entrance to the Forest Gate development.

Access to the land would therefore be via the land shown hatched which is within the ownership of the Banks Group. Discussions have taken place with the Banks Group regarding the possibility of promoting the land for development and access.

It is proposed to dispose of the property by private treaty to the Banks Group if acceptable terms and condition of sale can be agreed.

5. Land at Hadrian Road, Wallsend.

This is currently vacant open space and shrubland. It is an irregular shape surrounding land privately owned by Tyneside Estates Limited, shown hatched. Tyneside Estates have a right of access over the Authority's land and have planning permission for industrial use.

Due to its irregular shape, the Authority would not be able to put this site to any meaningful use or dispose of the land in isolation.

Tyneside Estates have made a request to purchase the site to improve the access, circulation space and security of their proposed industrial development.

It is proposed to dispose of the land to Tyneside Estates on a private treaty basis if acceptable terms and conditions of sale can be agreed.

Property 6. The Former Wallsend Baths and Former Vine Street Community Hall.

The former Wallsend Baths has been vacant for at least 20 years. It is a Grade II Listed Building and is in need of substantial refurbishment at a significant cost. The adjacent Vine Street Community Hall is also vacant. These properties were initially exposed to the market for Expressions of Interest in 2011. The Community Hall was included in order to assist with the viability of any development proposal. However no viable Expressions of Interest were received at that time due to the prohibitive cost of refurbishment.

Following consultations with English Heritage, the property was re-advertised in 2013 with no specified closing date for Expressions of Interest. One Expression of Interest has since been received from a local electrical and renewable energy contractor who has undertaken site investigations. The company now wishes to progress their development proposal which comprises a new office and production base for renewable energy products within the Baths building together with new housing on part of the site.

1.6 Decision options

The following decision options are available for consideration by Cabinet.

Option 1

Cabinet may approve the recommendations at paragraph 1.2 of this report and approve the sale of all of the properties detailed in the schedule at Appendix 1.

Option 2

Cabinet may recommend the sale of some of the properties detailed in the schedule at Appendix 1.

Option 3

Cabinet may not approve the recommendations at paragraph 1.2 of this report and not approve the sale of any of the properties identified.

1.7 Reasons for recommended option

The recommended option, Option 1, is considered the best way to achieve the level of capital receipts required to support the Authority's Capital Plan 2014/15, and to assist with the economic development of the Borough and the delivery of general and affordable housing.

1.8 Appendices

Appendix 1: Schedule of properties together with supplementary plans.

1.9 Contact officers

Niall Cathie – Strategic Property Manager – Tel. 0191 643 6517

Alison Campbell, Financial Business Manager - Tel. 0191 643 7038

Sarah Heslop, Manager Legal Service – Tel. 0191 643 5456

1.10 Background information

- (1) Property ownership records.
- (2) Council Capital Plan 2014/15.

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The capital receipts from the sale of Authority owned properties will contribute to financing the Authority's 2014-18 Investment Plan. Details of the specific designation for each receipt are detailed in the schedule attached as at Appendix 1.

2.2 Legal

Any disposals in relation to the properties listed will be progressed and completed in compliance with the Authority's Financial Regulations and applicable legislation.

Section 123 of the Local Government Act 1972 allows the Authority to dispose of land which is surplus to requirements. The Authority must achieve best value when disposing of its land.

2.3 Consultation/community engagement

The disposal of the properties detailed in the schedule attached as Appendix 1 has been considered by the Strategic Property Group and cleared to take forward for formal consideration by Cabinet.

Relevant Ward Members have been advised of the intention to seek approval to these properties being declared surplus to the Authority's requirements by email or correspondence. A notification has also been included within the Members' Newsletter.

Where a property is brought forward for redevelopment, there will be the opportunity for members of the public to express their views through the normal planning procedure.

2.4 Human rights

There are no human rights implications directly arising from this report.

2.5 Equalities and diversity

There are no equality and diversity implications directly arising from this report.

2.6 Risk management

Risks associated with this disposal strategy have been considered. At this stage, it is felt no specific risk needs to be added to the Directorate risk register.

2.7 Crime and disorder

Where a property is brought forward for redevelopment, crime and disorder issues will be considered as part of the normal planning process.

2.8 Environment and sustainability

Where a property is brought forward for redevelopment, environment and sustainability issues will be considered as part of the normal planning process.

PART 3 - SIGN OFF

- Deputy Chief Executive
- Head of Service
- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Strategic Manager – Strategic Services