

	REPORT TO CABINET TO BE HELD ON 16 MAY 2017
NOT FOR PUBLICATION – This is a public report except for the private and confidential Appendix 1, which is excluded from publication.	Key Decision YES Forward Plan Ref No 6
Corporate Policy Aims: People Place Council	Portfolio Holder Cllr Helen Mallory Finance, Procurement and Legal

REPORT OF: DIRECTOR (NE) – 17/114

WARDS AFFECTED: MAYFIELD

SUBJECT: SALE OF HOLLY TREE COURT NURSERY, WHITBY

RECOMMENDATION (S):

Cabinet is recommended to:

- (i) accept the offer from Bidder 'A' as detailed in the private and confidential document (Appendix P&C1) and grant final approval for the freehold disposal of the site edged red on the attached plan (Appendix 2) for a housing development (subject to planning);
- (ii) approve the disposal and marketing fees of £5,000 to be funded from the capital receipt.

REASON FOR RECOMMENDATION (S):

- (i) To accept the financial offer for the land.
- (ii) To achieve a capital receipt from the sale;
- (iii) To release the site for housing;
- (iv) To note that the offer is subject to the bidder obtaining planning consent;
- (v) To approve the disposal costs incurred to conduct the tender exercise.

HIGHLIGHTED RISKS:

- If no offers are accepted a capital receipt will not be achieved.
- The site will remain vacant thus having a negative impact on the surrounding area.
- New housing will not be developed.

1. INTRODUCTION

- 1.1 The site has an area of 0.76 acres (0.31 ha) and is shown outlined red in Appendix 1. It is identified as housing site HA16 in the new local plan.

2. CORPORATE AIMS/PRIORITIES AND THE COMMUNITY PLAN

- 2.1 People - Choice of suitable high quality homes for all.
Place - High quality planning and development.
Council - The capital receipt received from the Council's non-operational portfolio helps support all of the Council's Corporate Priorities.

3. BACKGROUND AND ISSUES

- 3.1 On 15 November 2011 Cabinet approved the sale of the site and nearby Stakesby Depot to the highest bidder by way of an informal tender. The Council's sites were marketed alongside North Yorkshire County Council's (NYCC) adjoining site by way of a joint marketing campaign. The joint campaign was undertaken in order to achieve maximum market exposure and ensure the best possible capital receipt was obtained.
- 3.2 Cabinet approved a total commitment of expenditure from the proceeds of the sales in order to develop the joint depot with NYCC off Chomley Way on the Stainacre Industrial Estate, Whitby. This development has now completed but funds are still to be allocated as agreed by Cabinet in November 2011.
- 3.3 In September 2013 the highest bidder from 2011 withdrew their offer without reason.
- 3.4 The sites were therefore re-tendered again by agent Bruton Knowles with a closing date of 28 March 2014. On 20 May 2014 Cabinet approved the sale of both sites to the highest bidder.
- 3.5 In April 2015 NYCC withdrew their site from the sale due to increased and arguably excessively abnormal costs by the developer. The sale of all sites subsequently fell through again.

- 3.6 In July 2016 NYCC chose to sell their site in isolation at public auction. As this meant that any joint campaign with NYCC was no longer possible it was decided that our sites should also be dealt with separately.
- 3.7 The subject site, Holly Tree Court, was tendered in isolation by appointed agent Bruton Knowles, with a closing date of 26 January 2016 but only one tender application was received. It was decided that the offer received was too low to be acceptable and that the Council would 'hold' the site and market at a later date when market conditions became more favourable.
- 3.8 Recently the site has been re-tendered with a tender closing date of 31 March 2017. The submissions received are outlined in the private and confidential Appendix P&C1.
- 3.9 Bids 'a' and 'b' are at the same financial level. One has a proposed residential end use while the other has a proposed light industrial end use. Due to the site being allocated as residential in the new Local Plan it is recommended that the offer proposing a residential use is approved. It should be noted that both parties are not willing to bid any higher.

4. CONSULTATION

- 4.1 Public consultation will follow the submission of the Planning application.

5. ASSESSMENT

- 5.1 Appointed agent Bruton Knowles has recommended accepting the highest offer for a housing end use as detailed in Appendix P&C1. This is due to the site being allocated as residential in the new Local Plan.
- 5.2 It is proposed that conditional contracts will be exchanged by the end of July 2017 and completion will be 30 days after the grant of an appropriate planning permission. If the sale has not been completed by the end of 2017, the Council will reserve the right to offer the sites for sale by auction or other means.

6. IMPLICATIONS

Policy

- 6.1 There are no policy implications for the Council.

Financial

- 6.2 Acceptance of the tender offer will realise a capital receipt for the Council as detailed in Appendix P&C1.

Risks

6.3 The key risks have been identified within the attached risks matrix.

Legal

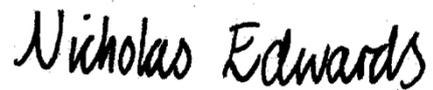
6.4 Contracts for sale will be drawn up by the in-house legal team.

Planning

6.5 The recommended offer is subject to planning permission being granted for residential development.

Equalities and Diversity

6.6 None.



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Director

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Risk Matrix

Risk Ref	Date	Risk	Consequences	Mitigation	Current Risk Score	Target Score	Service Unit Manager/ Responsible Officer	Action Plan
1	May 2017	<p>Cabinet do not agree to accept the offer on the site</p> <p>A capital receipt will not be achieved.</p> <p>The site will remain vacant thus having a negative impact on the surrounding area.</p> <p>New housing will not be developed.</p>	<p>The site is not developed and remains vacant until re-marketed. Council does not receive a capital receipt</p> <p>The site is not developed and remains vacant until re-marketed. Council do not receive a capital receipt.</p>		B3	A1	BW	Move to accept the offers as recommended.

Glossary of Terms

Risk	An event which may prevent the Council achieving its objectives
Consequences	The outcome if the risk materialised
Mitigation	The processes and procedures that are in place to reduce the risk
Current Risk Score	The likelihood and impact score with the current mitigation measures in place
Corporate Objectives	An assessment of the Corporate Objectives that are affected by the risk identified.
Target Risk Score	The likelihood and impact score that the Council is aiming to achieve
Service Unit Manager	The Service Unit or Officer responsible for managing the risk
Action Plan	The proposed actions to be implemented in order to reduce the risk to the target score

Risk Scoring

Impact	5					
	4					
	3					
	2					
	1					
		A	B	C	D	E
	Likelihood					

Likelihood:

- A = Very Low
- B = Not Likely
- C = Likely
- D = Very Likely
- E = Almost Certain

Impact

- 1 = Low
- 2 = Minor
- 3 = Medium
- 4 = Major
- 5 = Disaster