

	REPORT TO CABINET TO BE HELD ON 15 MAY 2018
NOT FOR PUBLICATION – This is a public report except for the private and confidential Appendix which is excluded from publication.	Key Decision YES Forward Plan Ref No 7
Corporate Policy Aims: People Place Council	Portfolio Holder <p style="text-align: right;">Cllr Helen Mallory</p>

REPORT OF: DIRECTOR (RB) – 18/95

WARDS AFFECTED: MAYFIELD

SUBJECT: SALE OF STAKESBY DEPOT, WHITBY

RECOMMENDATION (S):

Cabinet is recommended to:

- (i) accept the offer from Bidder 'A' as special purchaser 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 1);
- (ii) approve a marketing fee and disposal budget of 2% of the sale price to be funded from the capital development reserve.

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 a proposed housing use;
- (iv) To approve the disposal costs incurred.

HIGHLIGHTED RISKS:

- Cabinet do not agree to the proposed sale and the site remains vacant and no capital receipt is obtained.
- New housing will not be developed on this allocated housing site on which there is the potential to deliver a proportion of affordable housing..

1. INTRODUCTION

- 1.1 The site has an area of 2.33 acres (0.94 ha) and is shown outlined red in Appendix 1. It is identified as part of 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 the 15th November 2011 Cabinet approved the sale of this site by way of an informal tender. The Council's site was marketed alongside North Yorkshire County Council's (NYCC) adjoining site by way of a joint marketing campaign. The joint campaign was done in order to achieve maximum market exposure and ensure the best possible capital receipt was obtained.
- 3.3 In September 2013 the highest bidder from 2011 withdrew their offer without reason and the sale fell through.
- 3.4 The sites were re-tendered again with a closing date of the 28th March 2014. On the 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 excessive abnormal costs by the developer. The sale of both 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 the Councils site needs to also be dealt with in isolation.
- 3.7 Following negotiations the purchaser of the NYCC site has made an offer for our site which officers think is acceptable as detailed in P&C Appendix 1.

4. CONSULTATION

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

5. ASSESSMENT

- 5.1 Originally the site was marketed with NYCC's adjacent site in order to benefit from a second access to a combined larger site. The combined site would have been able to sustain more dwellings as opposed to the Council's site being developed in isolation with only one single access point of Stakesby Road. As NYCC decided to sell their site the Council's site now only benefits from the single access as referred to above. This single access limits the number of housing units that can be developed from a highway safety perspective. The site in isolation is therefore limited to 10 dwellings which subsequently limit's the value of the site.
- 5.2 As a general rule the Constitution states that all property disposals are by way of competitive tender unless, subject to Cabinet approval, an alternate method of disposal is deemed preferable. Of the alternate methods of disposal, there is a 'special purchaser' provision which permits, where appropriate, officers to negotiate directly with a party rather than seek tenders on the open market. The reasons for taking this route may relate to matters such as a policy of the Council or a special end use or the locality of an adjoining interest or perhaps an interest already owned in the property by the special purchaser.
- 5.3 An offer has been received from bidder 'A' for the amount outlined in Appendix P&C 1; bidder A is the same party who purchased the adjoining site from NYCC in 2016. This site has now been developed out as housing. An independent valuation has been obtained for the subject site and the offer proposed is deemed fair (Appendix P&C 1). It is based on the fact that bidder 'A', being the adjoining owner, will be able to utilise a second access through the existing development and therefore pay a marriage value premium above what the wider market would pay.

6. IMPLICATIONS

(a) Policy

- 6.1 There are no policy implications for the Council.

(b) Financial

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

(c) Risks

- 6.3 The key risks have been identified within the attached risks matrix, Appendix 2.

(d) Legal

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

(e) Planning

- 6.5 The recommended offer is not subject to planning permission being granted and therefore funds will be obtained on exchange of contracts.

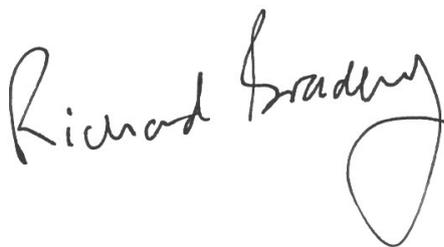
From a planning perspective there is a push from central Government to achieve high levels of housing growth. It therefore makes sense to sell the land to bidder A in order to maximise housing development on the site to circa 30 dwellings instead of circa 10.

(f) Equities and Diversity

- 6.6 None.

(g) Communications

- 6.7 None.

A handwritten signature in black ink that reads "Richard Bradley". The signature is written in a cursive style with a large, looped flourish at the end.

Richard Bradley
Commercial Director

Author: Bryan Walker, Strategic Land and Estates Manager
Telephone No: 01723 232434
E-mail address: bryan.walker@scarborough.gov.uk

Appendix 2

Risk Matrix

Risk Ref	Date	Risk	Consequences	Mitigation	Current Risk Score	Target Score	Service Unit Manager/ Responsible Officer	Action Plan
1	May 2017	Cabinet do not agree to accept the offer on the site	<p>The site is not developed and remains vacant until re-marketed. Council does not receive a capital receipt</p> <p>New housing will not be developed on this allocated housing site with potential to deliver affordable housing.</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
 Target Risk Score
 Service Unit Manager
 Action Plan

An assessment of the Corporate Objectives that are affected by the risk identified.
 The likelihood and impact score that the Council is aiming to achieve
 The Service Unit or Officer responsible for managing the risk
 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

