

## **CABINET**

<b>DATE</b>	20 <sup>th</sup> July 2022
<b>REPORT OF</b>	Councillor Stephen Harness – Portfolio Holder for Finance, Resources and Assets
<b>RESPONSIBLE OFFICER</b>	Sharon Wroot – Executive Director of Environment, Economy and Resources
<b>SUBJECT</b>	Freehold disposal of land at South View, Humberston
<b>STATUS</b>	Open
<b>FORWARD PLAN REF NO.</b>	CB 07/22/03

### **CONTRIBUTION TO OUR AIMS**

The disposal of the subject site by way of a freehold disposal will enable the site, which is currently unused, to be redeveloped, allowing for new investment opportunities in support of our 'stronger communities' and 'stronger economy' priorities. The disposal and redevelopment of the land would support our determination to be an efficient and effective Council.

The investment into redeveloping the site could help meet local needs in the area, resulting in benefits that 'All people in North East Lincolnshire benefit from sustainable communities' by building on an established community and providing new facilities for people to feel they are able to live safely, contributing to 'All people in North East Lincolnshire enjoy good health & well-being'.

By enabling this disposal, the Council will remove the ongoing commitment to maintenance.

### **EXECUTIVE SUMMARY**

This report seeks authority to dispose of the subject site by way of a freehold disposal via marketing on the open market. The Council would wish to encourage appropriate development of the land, which would be subject to a successful planning application, within a reasonable timeframe that would see the land improved from its current state.

### **RECOMMENDATIONS**

It is recommended that Cabinet:

1. approves the freehold disposal of the subject site;
2. delegates authority to the Executive Director of Environment, Economy and Resources in consultation with the Portfolio Holder for Finance, Resources and Assets the responsibility to deal with all marketing, negotiation and completion of terms resulting in disposal.
3. delegates to the Assistant Director Law, Governance and Assets (Monitoring Officer) authorisation to complete all requisite legal documentation.

## **REASONS FOR DECISION**

The subject site has been left vacant for many years and within that time the site has been subject to low levels of maintenance. The Council are committed to seeing sites invested in and improved and is committed to enable suitable development opportunities within the borough, which further supports the Council's strategic priorities of 'stronger communities and stronger economy'.

### **1. BACKGROUND AND ISSUES**

- 1.1 The Council are the freehold owners of land at South View, Humberston "the Site" – as shown edged red on the plan attached at Appendix One.
- 1.2 Where the Council are the freehold owners of a Site, Officers will review opportunities for disposal, ensuring all known details have been appropriately considered and assessed which would allow a site to be advertised on the open market for disposal.
- 1.3 Sites that would be considered would be those that have been allocated in the Local Plan or benefit from vacant possession, and which are not actively used as operational highway, amenity, open space or parks and recreation grounds. Sites that are owned and have been maintained for a number of years at a cost to the Council with no material benefit being offered by the Council to the Borough.
- 1.4 Any proposed disposal will need to evidence that the Site will be improved as the obligations of all maintenance aspects will be that of the new owner, as would all future investment opportunities.
- 1.5 The Council must also consider the strategic reasons in holding vacant sites that it is unable to fully resource to meet operational use. Any proposal will need to demonstrate that a site will benefit from investment and used for a suitable purpose which may not have seen effective use in recent years or have planned use in future years by the Council or its Partners and would benefit from opportunities presented by the market.
- 1.6 Ward Councillors will be engaged as part of the disposal process.

### **2. RISKS AND OPPORTUNITIES**

- 2.1 The risks to the Council in progressing a freehold disposal are considered minimal, in respect of the Site being desirable for a number of possible future developments due to its location being in a prime part of the borough.
- 2.2 Limited conditions may be attached to the disposal regarding pace of any proposed redevelopment, to avoid any risk a new owner may landbank the Site. However, where the Council apply conditions and impose certain requirements or milestones, this may tip the balance of a land disposal into a procurement exercise and a works contract rather than just a land transaction, which is more complex to deliver and monitor.
- 2.3 Future risks and opportunities with the Site in respect to ongoing funding and costs of maintaining to a suitable standard for use will transfer to the new owner on completion of the disposal.
- 2.4 There are potential positive identifiable environmental sustainability

implications as a result of the disposal, depending on the future intention in the use of the land if improved in a timely manner.

- 2.5 The disposal will enable a new owner to direct funding towards potential redevelopment opportunities resulting in improvements to the Site which will result in a positive reflection to the street scene within this part of the borough and will ensure there is no future ongoing financial commitment to the Council.

### **3. OTHER OPTIONS CONSIDERED**

- 3.1. To do nothing would see the Site remain vacant and surplus to the Council's requirements. This is not considered a viable option as the Council risk continuing to be wholly liable for the Site together with all future associated expenditure in terms of maintenance.
- 3.2. To dispose of the Site for less than Market Value (via the 'Less Than Best' protocol) or under a Commercial Lease arrangement are not considered the most viable options as the Site should generate interest from the opportunity to dispose of the freehold via the open market.

### **4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS**

There are positive reputational implications for the Council resulting from the decision to support this freehold disposal and enable the use of this Site to be redeveloped in support of the wider community. The Council's communications service will be engaged to provide any information requirements in respect to this proposal.

### **5. FINANCIAL CONSIDERATIONS**

- 5.1 The proposal supports the Council's key outcomes of 'stronger communities' by enabling a Council owned site to be used and enhanced to support the wider community.
- 5.2 The proposal will be financed by the prospective purchaser and will not require capital or ongoing revenue expenditure from the Council. This is consistent with the Council's policy to contribute to improved value for money and supports the financial objective and our determination to be an efficient and effective Council.

### **6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS**

There are no implications so far as Children and Young People.

### **7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

- 7.1 The recommendations outlined within this report have been considered so far as their impact of the proposal on climate change and the environment. In reference to the Council's environmental policy, the proposal supports the Council's environmental priorities:
  - By recognising and realising the economic and social benefits of a high-quality environment.
  - By working towards a low carbon North East Lincolnshire that is prepared for, and resilient to, the impacts of climate change.

### **8. CONSULTATION WITH SCRUTINY**

There has been no consultation with Scrutiny to date.

## **9. FINANCIAL IMPLICATIONS**

- 9.1 The sale proceeds would be invested into the Council's capital investment programme.
- 9.2 There would be some small revenue savings from no longer having to maintain the site.

## **10. LEGAL IMPLICATIONS**

- 10.1. Local Government Act 1972, s123, provides that the Council may dispose of land in any manner it sees fit subject to the constraint that (except in the case of leases for less than 7 years) disposal must be for the best consideration reasonably obtainable.
- 10.2. It is highlighted above that the site falls within a desirable area of the borough and the testing of the market through an open marketing exercise will enable the Council to assess value for money and enable it to divest itself of ongoing liabilities and obligations whilst realising a capital receipt.
- 10.3. The delegations sought are consistent with an exercise of this nature.

## **11. HUMAN RESOURCES IMPLICATIONS**

- 11.1. There are no direct HR implications

## **12. WARD IMPLICATIONS**

This proposal impacts on the Humberston and New Waltham Ward.

## **13. BACKGROUND PAPERS**

There are no background papers in respect of this proposal.

## **14. CONTACT OFFICERS**

- 14.1. Simon Jones, Assistant Director of Law, Governance and Assets, NELC (01472) 324004
- 14.2. Wendy Fisher, Head of Estates and Business Development, NELC (01472) 323132

**COUNCILLOR STEPHEN HARNESS**

**PORTFOLIO HOLDER FOR FINANCE, RESOURCES AND ASSETS**

## APPENDIX ONE – SITE LOCATION PLAN

