

NORTH YORKSHIRE COUNCIL

EXECUTIVE

30 May 2023

Sale of Residential Development Land at Airedale Avenue Skipton

Report by the Corporate Director – Resources

1.0 Purpose of Report

- 1.1 To request approval to progress with the sale of the Residential Development Land at Airedale Avenue, Skipton, BD23 2LL.

2.0 BACKGROUND

- 2.1 The land and property holdings of North Yorkshire's predecessor Councils transferred to the North Yorkshire Council on 1st April 2023. One such land holding was Airedale Avenue, Skipton, which was historically owned by Craven District Council and is outlined in the Title Plan shown at **Appendix A** to this report.
- 2.2 On 22nd February 2022 Craven District Council approved the disposal of the Airedale Avenue site and agreed that it be placed on the open market; with a view that a report be provided to a future Craven Council Policy Committee for consideration of any offers made. The outcome of the open market tender exercise was reported to Craven District Council's Policy Committee on 29th November 2022.
- 2.3 Although North Yorkshire County Council had given Section 24 consent to allow Craven District Council to approve the sale, members chose to defer the decision as it was felt more appropriate that the decision be made post vesting day, by North Yorkshire Council.
- 2.4 This report follows on from the report presented to Craven District Council in November 2022 and seeks North Yorkshire Council's approval to dispose of the site based on the marketing exercise undertaken.

2.1 MARKETING OF THE DEVELOPMENT OPPORTUNITY

- 3.1 Craven District Council appointed Align Property Partners (APP) to market the site, with sealed informal tenders becoming due on Friday 28th October 2022.
- 3.2 The site was marketed during September and October 2022 and the following marketing exercises were adopted:
- Advertising boards were placed upon the site
 - Sales particulars were circulated to developers and agents,
 - Press advertisements were placed in the Craven Herald
 - The site was placed on the national advertising platform LoopNet, with over 30 good enquiries generated during the campaign.
 - Legal Information packs were prepared and sent out to 12 potential interested parties including a draft s106 agreement (further details of which are set out within section 4 below).

4.0 DRAFT SECTION 106 AGREEMENT – AFFORDABLE HOUSING

- 4.1 A draft Section 106 Agreement was included in the legal packs, which were sent out to interested parties.
- 4.3 The Agreement makes provisions for affordable housing on the site, summarised as follows:
- The affordable dwellings shall comprise 8 affordable housing units for rent and 8 affordable units for sale unless a change in tenure is agreed by the Council;
 - Occupation or sale of more than 19 of the market dwellings will not be permitted until the affordable dwellings have been practically completed and transferred to a Registered Provider at the Transfer Price.
- 4.4 The option to take the affordable units into North Yorkshire Council's HRA, as opposed to transferring the units to a Registered Provider, is being explored.
- 4.5 The Agreement makes reference to planning application reference 2019/20463/REG3, which provides for 53 residential dwellings on the site. The affordable housing units proposed within the draft Agreement therefore equates to circa 30% of the units proposed for the whole site.

5 OUTCOME OF THE INFORMAL TENDER PROCESS

- 5.1 Sealed Informal Tenders were requested by 1pm Friday 28th October 2022 and a total of 7 bids were received. These were opened by Craven District Council's Head of Legal Services on Tuesday 1st November 2022.
- 5.2 The outcome of the informal tender process is set out in private and confidential **Appendix B**. APP have confirmed that the market has not changed significantly since November 2022, therefore can confirm that the offer recommended for progression still represent best value.
- 5.3 The Executive is recommended to approve that the disposal of the site be progressed, which will generate a capital receipt for the Council.

6.0 CONTRIBUTION TO COUNCIL PRIORITIES

- 6.1 The capital receipt from the disposal will provide essential resources to invest in the Council's future financial plans.

7.0 ALTERNATIVE OPTIONS CONSIDERED

- 7.1 The new Unitary Council is mindful of its wider responsibilities and aspirations around Social Care, affordable housing, the Housing Revenue Account, and commercial housing development, which will influence future decisions around land disposals.
- 7.2 Relevant services across the Council have been made aware of the proposals set out within this report On this site and occasion it is deemed desirable to generate a capital receipt.

8.0 FINANCIAL IMPLICATIONS

- 8.1 The sale of land will generate a capital receipt for the Council equivalent to the value identified within the **Appendix B**.

8.2 The disposal option recommended is deemed to be best consideration in accordance with S123 of the Local Government Act 1972.

9.0 LEGAL IMPLICATIONS

9.1 Section 123 of the Local Government Act 1972 Section 123 enables local authorities to dispose of land as they see fit, where the consideration is deemed to be the best that can reasonably be obtained.

9.2 The disposal has been tendered on the open market therefore is deemed to satisfy the best consideration requirements.

10.0 CLIMATE CHANGE IMPLICATIONS

10.1 There are no implications in regards to climate change. New Homes in England produce significantly less CO2 under modern Building Regulations.

11.0 EQUALITIES IMPLICATIONS

11.1 The Council's Equality Impact Assessment Procedure has been followed. An Equality Impact Assessment has not been completed on the proposals as completion of Stage 1 - Initial Screening of the Procedure identified that the proposed policy, strategy, procedure, or function does not have the potential to cause negative impact or discriminate against different groups in the community based on age, disability, gender, race/ethnicity, religion, or religious belief (faith) sexual orientation, or rural isolation.

12.0 REASONS FOR RECOMMENDATIONS

12.1 To dispose of land which is surplus to the Council's requirements and generate a capital receipt.

13.0 RECOMMENDATION(S)

- 13.1
- i) That approval be given to dispose of Residential Development Land at Airedale Avenue Skipton BD23 2LL, as outlined in the Title Plan shown at **Appendix A** to this report
 - ii) That the terms of the disposal be in accordance with the recommendation set out within Section 3 of confidential **Appendix B**.
 - iii) That subject to a favourable business case and appropriate updates to the Section 106 Agreement, authority to transfer the affordable housing units associated to the Housing Revenue Account be delegated to the Corporate Director, Community Development in consultation with the Corporate Director, Resources and Assistant Chief Executive, Legal and Democratic Services.

Appendices:

Appendix A – Site plan

Appendix B – Confidential – outcome of informal tender process

Date: 30 May 2023

Report Author: Kerry Metcalfe, Assistant Director Commercial, Property & Procurement

Presenter of Report: Gary Fielding, Corporate Director, Resources