



Disposal of Site 1b Scalford Road Car Park

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Lead Member/Relevant Portfolio Holder	Councillor Sarah Cox - Portfolio Holder for Corporate Finance, Property and Resources

Corporate Priority:	Maximise the value of our assets
Relevant Ward Member(s):	Cllr Pip Allnatt and Cllr Mike Brown
Date of consultation with Ward Member(s):	2 January 2025
Exempt Information:	No
Key Decision:	Yes b) Making savings or generate income of £50,000 or more
Subject to call-in:	Yes

1 Summary

- 1.1 Following the adoption of the Asset Development Programme in 2021, and identification of this site as a potential disposal opportunity, this report now sets out recommendations for the disposal of Scalford Road Car Park, which is underutilised as a resource, and which will generate a capital receipt or alternate funding sources for the council depending on the ultimate disposal outcome.

2 Recommendations

That Cabinet:

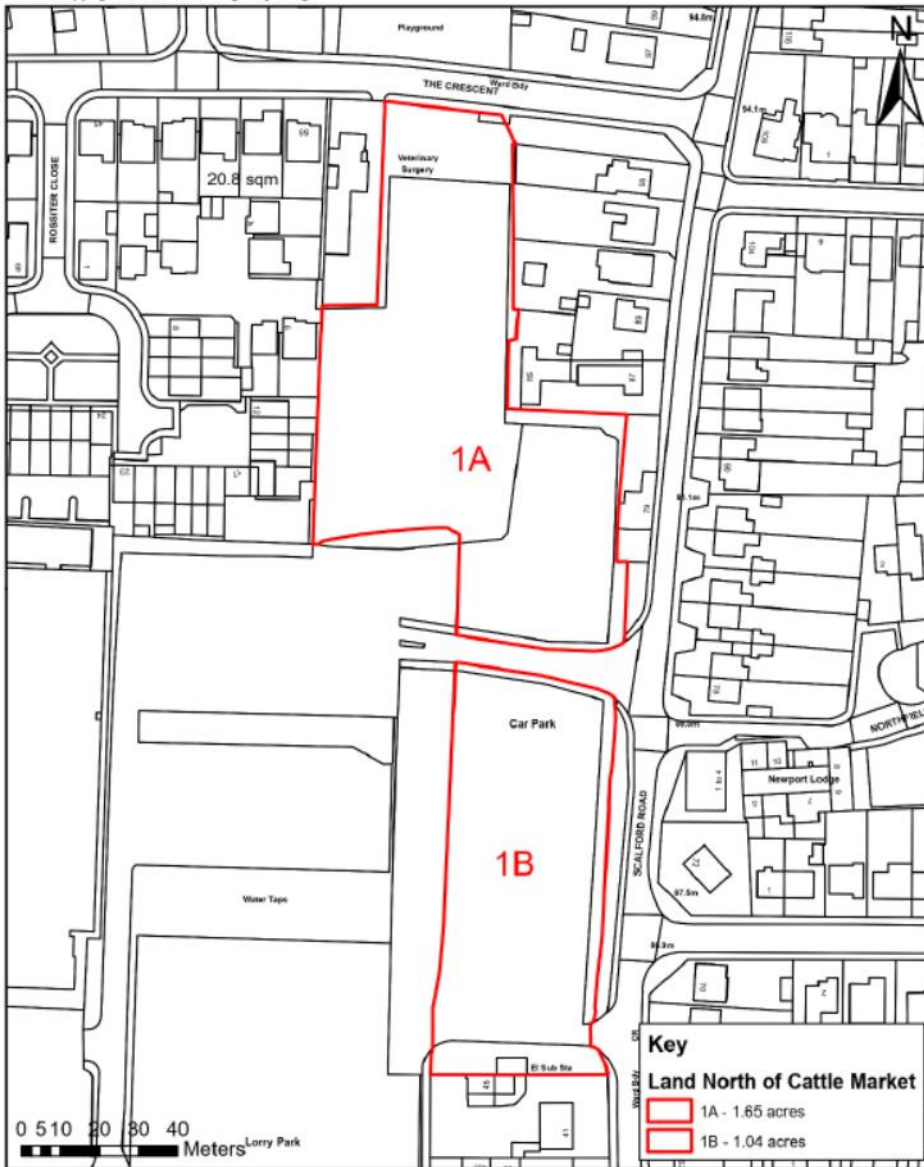
- 2.1 **Delegates to the Director of Place and Prosperity, in consultation with the Portfolio Holder for Corporate Finance, Property and Resources and the Director for Corporate Resources, the authority to dispose of a parcel of land known as**

3 Reason for Recommendations

- 3.1 Scalford Road Car Park is situated to the East of the Cattle Market and is accessible off Scalford Road, a main arterial route into the town of Melton Mowbray. The Car Park is designated under the Council's Car Parking Order as Long Stay Car Park.
- 3.2 The car park was identified in the Asset Development Programme (ADP) as a potential future site for disposal and is underutilised and presents a development opportunity in a key location. There has been significant speculative interest in the market over the last five years with several national companies showing an interest in the site. This interest could be capitalised upon to generate a return for the local authority which would assist with the aims of the ADP and wider corporate priorities.
- 3.3 A series of options have been explored and it has been identified that a disposal would be the most beneficial outcome for the Council in line with its corporate priorities.

4 Background

- 4.1 The disposal of Site 1b – Scalford Road Car Park – has been long-established as a strategic objective.
- 4.2 A [Cabinet](#) report in December 2020, and a Council report in January 2021, set out several recommendations for Phoenix House and the Cattle Market North site. The recommendation at that time to dispose of land at the Cattle Market North site included Site 1b that is otherwise known as Scalford Road Car Park.
- 4.3 In January 2022, the Council commissioned a valuation of the site known as Site 1b, at Cattle Market North. The plot is identified in red on the plan below (see paragraph 4.4) as plot 1B.
- a) This land comprises a car park of approximately 1.043 acres (0.422 hectares).
 - b) It comprises 199 car parking spaces and generated an income of £20,743 in 2023/24.
 - c) There are no known legal restrictions on the sale of the land and the site is not currently allocated within the local plan.
 - d) The car park offers good development potential and is relatively underused in comparison to other Council owned car parks, with each space only generating £103 per annum.
 - e) The valuation of the site considered residential development as creating the most value, and a residual value of the site was suggested, dependent upon the final mix and use of the site.



4.4

5 Main Considerations

5.1 Market Interest:

In the past, the Council has been approached by several potentially interested parties in respect of acquiring land within the borough and this site has been the focus of several discussions.

It is important to note that some or none of these options may come forward once the site is marketed, and that whilst the Council is under a duty to dispose of any property under best consideration legislation, it is entirely a decision for the Council as to which, of any offers, it may choose. Any competing interest in the site is likely to increase the sale value.

- a) A national food retailer has expressed an interest in having a presence within the town. This site was discussed in detail with them; however, they have determined that it does not provide enough town centre presence for them.
- b) A hotelier has expressed an interest in several sites in the town and is particularly interested in this location. They have already undertaken some initial studies to determine the quantum of accommodation they could deliver along with parking and have suggested they would be keen to make an offer.
- c) Extra care / retirement living providers have also expressed an interest and have suggested the site is ideal for their needs. They do not require as much parking and would look to deliver a high-quality end of life care facility. They have also carried out initial appraisals and determined the site to be a viable option.
- d) Residential developers (market and affordable) have previously also expressed an interest in the site following the disposal of Site 1a.
- e) Site assembly / Joint venture for provision of industrial units. We have been approached by a company which has identified an interest in working with us to provide light industrial units.
- f) There is also scope for mixed use developments where a retail and residential mix may be appealing to some developers but demand for apartments within the town is low.

5.2 **Impact on available Parking:**

- 5.2.1 The site is used for overspill parking for large scale events that take place on the stockyard/ livestock market. Should the site be developed, the Council would have to work with the operators of the Stockyard to redirect traffic to other car parking within the vicinity (Wilton Road and St Mary's Way amongst others).
- 5.2.2 The Council has recently announced that Site 1b will be used to trial a free workers' parking scheme. This option has not yet been taken up by the Business Improvement District but if that were to change an alternative location would need to be found for this scheme if it continued beyond a trial period.
- 5.2.3 Sale or change of use of Scalford Road car park may require some alterations to the Car Parking Order as this will change the availability of long stay parking in the town. Scalford Road site is also the only long stay car park located to the north of the town, and should this be removed, cars would have to travel to Wilton Road, or through the town to utilise the remaining long stay car parks. This may raise some concerns with the highways authority as it could be seen to increase congestion through the town.

5.3 **Financial issues**

- 5.3.1 The car park is one of the least used throughout the year and is likely to require additional upgrades to the parking surface in the not-too-distant future. The likely cost of line painting, resurfacing and general maintenance costs will vastly exceed any income generated from the car park based on its current usage.
- 5.3.2 The Finance Health Check undertaken by the LGA in June 2021 made clear that the Council should exploit opportunities to be more commercial within its plans. The LGA review made clear that the Asset Development Programme represented a key driver in supporting the Council's future financial sustainability. In order to safeguard services and future stability it advocated the Council take a 'hard-nosed commercial view' when reviewing its assets.

5.3.3 In May 2024, the Local Government Association published guidance on achieving financial stability - Navigating Financial Uncertainty and Building Resilience: Guiding principles. The disposal of Site 1b is consistent with those principles which aim to reduce risk and to consider how land and property should be used to maintain financial viability.

5.4 **Method of disposal**

5.4.1 Due to the level of interest in the site, the Council, would look to market the property as a development opportunity, so as not to deter interested parties and keep the options open for selecting a purchaser and after a period of marketing, seek offers by way of an informal tender process allowing the Council to decide what constitutes best value, price, use or both.

5.4.2 Offers received are likely to be a sale subject to planning, meaning the buyer will need to pay a deposit and the final balance is paid after they have received planning consent for a proposed scheme, with time scales lasting up to 12 months. Or straight cash offers where the purchaser will buy the site, subject to due diligence, for an agreed fee. The latter offers are likely to be lower than offers subject to planning.

5.5 **Impact on Stockyard Development**

5.5.1 There is no predicted impact on the Stockyard development. Whilst Scalford Road car park has been identified as the back-up car parking during the development phase, it is expected that the sale of land will not coincide with the development of the Stockyard and thus it can still be used for this purpose.

5.5.2 Once fully developed the Stockyard will provide additional car parking on site which will alleviate any pressure from not having Scalford Road as a fully functioning car park.

6 **Options Considered**

6.1 Considering the above, the following options have been assessed and are highlighted below:

- a) Do nothing – the land could continue to be utilised as a car park, however, the income generated is low and ultimately the operational and maintenance costs (for resurfacing) will cost significantly more than is financially viable for this site.
- b) Council Residential Build Scheme on the site - There will be a need for significant capital investment to undertake a scheme and high-level analysis suggests that the capital generated from re-sales will not meet the cost of delivery.
- c) Council-led Build to Rent Scheme - Whilst this may be more viable and would generate a revenue income, the Council is not currently resourced to be able to manage privately rented stock. Additionally, as a housing authority this is not a legal option under existing governance arrangements.
- d) Site assembly with other landowners and look to combine their assets to increase the potential development opportunity. However, whilst this would increase the capital value, the Council would not be in control of the quantum of the split of capital generated from a sale.
- e) Sale of the site – the Council could sell the land on the open market, as this is likely to generate the best capital receipt to the Council.

7 Consultation/Engagement

- 7.1 Consultation has taken place with the relevant Portfolio Holder and Ward Councillors, but no further consultation is required.

8 Next Steps – Implementation and Communication

- 8.1 Following approval to dispose of this site, a detailed timeline will be drawn up. Any sale that is agreed subject to planning will take longer to achieve than a sale that is not dependent on planning.

9 Financial Implications

- 9.1 The sale of this site will generate a capital receipt for the Council. Capital receipts can only be used to fund capital expenditure or repayment of debt.
- 9.2 The sale will result in a loss of revenue income in the region of £20,500 should the current users not be accommodated in other Council owned car parks which do have capacity to take displaced users.

Financial Implications reviewed by: Director for Corporate Services

10 Legal and Governance Implications

- 10.1 The Council has a statutory and fiduciary duty to obtain best consideration for disposal of land and buildings in its ownership. Additionally, the Council must be satisfied that disposal of the land is appropriate and reasonable in all other respects.
- 10.2 The Council has power to dispose of land in its ownership under s123 of the Local Government Act 1972 provided the land is sold for the best consideration that could reasonably be obtained in the market however, the Secretary of State can grant consent for disposals at less than best consideration. A general consent has been issued under which land may be disposed of at an undervalue of up to £2,000,000.00 of the value on the open market). It is likely that this disposal will be within the terms of that general consent if a full sale price is not achieved.
- 10.3 Legal Services will need to consider whether there are any restrictions which prevent sale of the land as recommended. Should any restrictions be identified, which can not be overcome then a further report should be brought to Cabinet for consideration.
- 10.4 Legal Services will draft, prepare and execute all documents required to complete the disposal of the land, having regard to the Land Acquisitions and Disposal Policy, subject to any restrictions that may apply.
- 10.5 As indicated above, disposal of the site will limit availability of long stay car parking spaces in the time, the impact of which will not be known until some way into the marketing and sale process. Once that impact is identified advice will be given regarding any requirement to vary the Car Park Order and, if appropriate, a further report will be brought to Cabinet for consideration.

Legal Implications reviewed by: Monitoring Officer.

11 Equality and Safeguarding Implications

- 11.1 No equality impact assessment is required at this stage but will be required in the future as part of operational considerations for car parking in the Council's own car parks, other car parks, and on-street parking.

12 Data Protection Implications

A Data Protection Impact Assessment (DPIA) has not been completed because there are no risks/issues to the rights and freedoms of natural persons arising directly from this report.

13 Community Safety Implications

13.1 There are none.

14 Environmental and Climate Change Implications

14.1 There are no immediate impacts from the sale of this site.

15 Risk & Mitigation

Risk No	Risk Description	Likelihood	Impact	Risk
1	Retaining an underutilised asset thereby leading to poor value for money	Low	Critical	Medium Risk
2	Failing to achieve a disposal of the site	Significant	Critical	Medium Risk
3	Delays to receiving any receipt if the sale is dependent on a successful planning decision	Significant	Critical	Medium Risk

		Impact / Consequences			
		Negligible	Marginal	Critical	Catastrophic
Likelihood	Score/ definition	1	2	3	4
	6 Very High				
	5 High				
	4 Significant			2, 3	
	3 Low			1	
	2 Very Low				
	1 Almost impossible				

Risk No	Mitigation
1	Cabinet decision to dispose of the site

2	Market engagement and preparation of marketing and sale documentation
3	Any potential purchaser to engage in early pre-application advice with the planning service

16 Background Papers

16.1 [Cabinet report, 16 December 2020: Business Rate Pool, Funding update, Asset Development Programme Phase 1.](#)

17 Appendices

17.1 None.