

TRAFFORD COUNCIL

Report to: Executive
Date: 17 February 2021
Report for: Decision
Report of: The Executive Member Housing and Regeneration and the Corporate Director for Place

Report Title

Strategic Land Review Programme 2021-2024 – Part 1

Summary

To advise Members of the outcome of the 2020/21 Land Sales Programme.
To propose a Strategic Land Review Programme for the disposal of land and buildings during the financial year 2021/22 and to seek the necessary delegations.
To advise as to proposals for 2022/23 and 2023/24

Recommendation(s)

The Executive are recommended to:

1. Note the outcome of the 2020/21 Land Sales Programmes
2. Approve the Strategic Land Review Programme for 2021/22 (and further) as set out in the report.
3. Delegate authority to the Corporate Director Place to:
 - a. negotiate and accept bids in consultation with the Director of Finance and Systems and Corporate Director for Governance and Community Strategy for all sites listed on the Land Review Programme, including any bid which would result in a capital receipt of £500,000 or more.
 - b. engage external resources where this will assist in implementing the programme, including a professional team where reasonably required to support a development project.
 - c. Commission, submit and/or authorise as appropriate:
 - i) any applications for planning permission on any properties included in the programme where this will assist in marketing and/or add value, or in any case where the Council is proposing to redevelop the site whether directly or in partnership with another party.
 - ii) any surveys/investigations where such surveys will reduce the risks associated with redevelopment, add value to the capital receipt /revenue return and/or assist with the preparation, submission and resolution of any planning permission application, or any other usual pre-development survey or investigation.
 - iii) any feasibility study or design for the site and or premises in association with either obtaining a planning consent or as part of options appraisal
 - iv) any demolitions or physical alterations that will either reduce the risks associated with holding the premises or accelerate the sale/redevelopment

- and/or add value to the capital receipt/revenue return.
- d. offset eligible disposal costs against capital receipts in accordance with capital regulations.
 - e. advertise the intention to dispose of a site in the event that it comprises open space as defined by the Town and Country Planning Act 1990, in accordance with the relevant statutory procedure, and if any objections are received, to refer to the relevant portfolio holder for consideration in consultation with the Executive Member for Environment, Air Quality and Climate Change.
 - f. acquire adjacent land or property where the acquisition will either add value to the overall development or de-risk the disposal/development of the Council asset.
 - g. add to or substitute sites into the programme during the year, including any site where the anticipated capital receipt would be £500,000 or more.
 - h. Transfer sites from Category 1 to Category 2, and vice versa
 - i. commission security services.
 - j. authorise alternative methods of disposal where appropriate.
 - k. authorise community engagement and consultations where the Corporate Director deems it necessary or advantageous.
 - l. In relation to any site currently in development or any site which commences development during this programme, agree any licence or approve the grant of any easement or lease or any other disposal, including where that disposal taken in isolation would constitute a disposal at undervalue, which is designed or intended to implement or facilitate the development.
 - m. In relation to the Brown Street and former Sale Magistrates sites, authorise a marketing, pricing and disposal strategy and authorise the sale of plots, either individually or in blocks, including where the anticipated or actual capital receipt exceeds £499,000.
4. That the Corporate Director of Governance and Community Strategy in consultation with the Corporate Director Place and, where appropriate, the Director for Finance and Systems, be authorised to finalise and enter into all legal agreements required to implement the above decisions.

Contact person for access to background papers and further information:

Name: Richard Roe
 Extension: 4265
 Background papers: None

Implications

Relationship to Policy Framework/Corporate Changes	Supports the Corporate priority for building quality, affordable and social housing; and successful and thriving places.
Financial:	The generation of capital receipts will support the capital investment programme or be used to repay debt.
Legal Implications:	Each disposal/development will be reviewed for legal implications on an individual basis.

Equality/Diversity Implications:	No direct implications
Sustainability Implications:	The generation of capital receipts supports a number of capital schemes that will aid the Council in its carbon neutrality objectives.
Resources Implications: eg Staffing/ICT/Assets	Properties which are no longer required for operational purposes are identified and recommendations as to retention /disposal are made by the Corporate Landlord group, prior to discussion at the relevant Place Shaping Board and being added to the Land Sales Programme
Risk Management Implications:	The Key risk will be associated with holding property which is vacant.
Health and Wellbeing Implications:	No direct implications
Health and Safety Implications:	A reduction in health and safety issues by disposing of vacant buildings.
Carbon Reduction	The generation of capital receipts supports the capital programme which has various capital budgets supporting the carbon neutral action plan.

1. Background

- 1.1 The Strategic Land Review Programme sets out a list of land and buildings that the Council intends to either sell, develop in partnership or self-develop in the forthcoming year(s) together with a summary of the previous year's outturn. The details of these are set out in this report, with the actual and estimated sums against specific properties contained in the confidential Part II of the report.
- 1.2 The Strategic Land Review Programme is an integral part of the Council's asset strategy and is the conclusion of a corporate process of identification of surplus assets linked to service planning and an options appraisal process.
- 1.3 The Council strives to use its property assets in the most advantageous way possible for the community and to achieve its service delivery, financial, regeneration and economic growth objectives.
- 1.4 COVID 19 has impacted significantly on Council Budgets and it is becoming more apparent that the Council are unable to continue to hold on to empty assets which incur holding costs

2.0 Council Strategies linkages with the Programme

- 2.1 The use and disposal of property is an important part of business planning and the delivery of efficiency targets across all service areas. In addition, the identification of a range of service delivery strategies across the Council has had implications for the use of property and its availability for disposal. These include:
 - **Corporate Landlord** – The Council takes a corporate landlord approach to enable a strategic overview of the management of all its property assets. Land Sales, as well as the corporate estate, are regularly monitored and reviewed. Through the One Trafford partnership all assets are reviewed as to their condition, value and potential to either reduce maintenance costs or be in a position to generate revenue income. There will also be opportunities for further rationalisation of the property portfolio through efficiencies in terms of maximizing the capacity of buildings to be retained and partnerships with public, private and third sector partners.
 - **Collaboration and co-location** - Partnership working has led to greater shared use of accommodation and is already producing more efficient use of assets and may lead to the release of further surplus assets across partners. The Council has initiated a One Trafford Estate project that is working across public sector partners to identify opportunities where shared use of assets is viable and in the right location. The project is ensuring that Council assets are available, utilising suitable buildings for greater cross working whilst ensuring estate strategies are aligned to those of our public sector partners. Trafford Council now has greater representation on key strategic estate bodies such as the GM Property and Estates Panel and the Strategic Estates Group.
 - 2020 has seen new ways of working for the Local Authority and other Public Sector partners and it is expected that there will be future strategies looking to rationalise the Council's Estate through Business Case Savings, the Council will

continue to maximise the revenue from the assets. An example of this is the car park review that is being undertaken on sites that are not income producing but are costing the Council to maintain and repair, which may identify land sale opportunities.

2.2 A range of strategies affect the way in which assets are disposed. These aim to use surplus and under-performing assets to assist in the delivery of wider objectives in addition to realising capital receipts. They include:

- **Investment opportunities** – The Council has adopted an Investment Strategy under which the disposal route for any asset will be subject to a full options appraisal. This will consider opportunities to develop the asset as part of our investment portfolio. Depending on the attributes of any particular asset, the options appraisal would consider site disposals on market, redevelopment potential including options for self-development and Joint Venture opportunities, land assembly opportunities for enhanced redevelopment, longer term investment connections and potential social benefits to the council and the local residents.
- **Housing growth and affordable housing targets** – These are also supported by the Land Sales Programme, often in partnership with Registered Social Landlords. Disposals of land for nil or at below market value may be required if schemes are to be funded by Homes England, however no such sites are identified on the current Programme. GMCA has published ambitious housing targets and the disposal of publicly owned land is a critical component of the Government's objectives to accelerate housing supply and economic growth. The development of publicly owned land also supports the Council's objective of delivering new social and affordable housing. In addition, increasing the number of housing units provides much needed housing supply and generates additional Council Tax.
- **Community Asset Transfer** - The Council will support, where appropriate, community organisations to deliver services in conjunction with the use of Council assets. Each potential asset transfer will be appraised individually to provide the best outcome for the Council and the community. The proposed Community Asset Transfer of George Carnell Leisure Centre is expected to complete in the calendar year 2021 (details of this are covered in separate reports to Exec)
- **Economic Development and Regeneration** – Ongoing projects in town centres have presented opportunities for the regeneration through schemes including Council land, e.g. Regent Road, Altrincham and the former Royal Mail Sorting Office, Stretford. Where appropriate assets will be used to support regeneration projects.

3. Disposal Strategy

- 3.1 Whilst in the past the Council, in common with most public bodies, has sought to simply sell sites quickly to reduce potential risks and liabilities from holding vacant properties this process may not always be the most appropriate for both the council, in terms of maximising the value it receives and the appropriate quality of development and purchasers who are acquiring risk. This often leads to delays in achieving financial completion, slows down the delivery of new homes and doesn't maximise the financial and regeneration benefits for the Council.
- 3.2 The current approach is for the Council to undertake an options appraisal on all surplus sites to determine whether there is an opportunity for the Council to bring forward development of the site itself, either solely or in partnership. This options appraisal will consider financial and delivery risks, potentially higher financial returns, including capital receipts or ongoing revenue streams, and the contribution the development can make to the Council's wider objectives. As part of this review, the opportunity for strategic land acquisition so support delivery and financial return will also be considered. The Council is recruiting an in-house development team to take the lead on direct development sites.
- 3.3 This approach can delay the achievement of income from the disposals programme, as income will only be received on completion of a development rather than from the land sale, and also changes the risk profile for the Council as it will carry some or all of the sales risk. The level of potential risk and timing or nature of a potential receipt will be considered as part of the options appraisal process.

4. Capital Receipts Received

There have been a number of capital receipts from land sales that were not reported on in the previous Land Sales Report, together with transactions that completed after the Report went to Executive in February 2020. Details are below:-

Financial Year	Site	Capital Receipt
2019/20	Former Ortonbrook School site	£1,092,500
2019/20	Regent Road, Altrincham	£375,000
2019/20	Altair (phase A)	£433,049
2019/20	Land adj 185 Grove Lane, Hale	£70,000

The COVID 19 situation in the 2020/21 financial year and the fact that the Council had changed its stance on how they sell their assets (ie moving from a straight Land Sales Programme to a Strategic Land Programme) resulted in an impact on the transactions for the various assets.

5. Disposal programme for 2021/22 and beyond.

- 5.1 The report has split the property assets already identified for 2021/22 and beyond into two categories:
- Category 1 (Table 1) are those sites where the Council is already committed to a disposal or where the disposal is on a statutory basis or where it has been assessed that there is no development potential or no benefit in undertaking direct development. Whilst these properties have been identified for disposal in 2021/22 some sites are on a phased payment basis and some on deferred payment basis meaning the capital receipts will be in subsequent financial years. It is possible that some other sites may roll forward to next or future years should issues arise that delay the disposals (obtaining vacant possession, current market conditions, title issues, planning issues, consent issues etc.).
 - Category 2 (Table 2) are those property assets where following initial assessment it is considered there is significant advantage in these sites being delivered through either partnership (Including Joint Ventures) or self development
- 5.2 As set out in paragraph 2.2 and the paragraphs above the investment opportunities related to each of these sites has been reviewed to determine the most appropriate and financially beneficial option for disposal, development or alternative use.
- 5.3 The properties in table 1 are at various stages of disposal, including those that have either advanced to a stage where the Council has or is about to enter into a binding legal commitment (e.g it has exchanged contracts).

	Category 1 (Table 1)	Est. year of Receipt
1	Friars Court	2022/22
2	Former Equity Housing properties 68 Thornbury Road, Stretford and 12 Norton Street, Stretford	2021/22
3	2a Houldsworth Avenue, Timperley	2021/22
4	Hale Library, Hale (deferred payment)	2021/22
5	Altair, Altrincham (phased payment)	2021/22 &22/23/24
6	Sale Cemetery Lodge	2021/22
7	Former Trafford MES, 350 Flixton Road	2021/22
8	65/65a Roseneath Road Urmston	2021/22
9	190-192 Flixton Road, Urmston	2021/22
10	Land at Virgil Street, Old Trafford	2021/22
11	The former site of Partington Library, Central Road, Partington	2022/23
12	Regear of Leases on Town Centre Assets (Stamford Quarter and Stretford Mall)	2021/22
13	Land between 29 and 31 Brook Road, Urmston	2021/22
14	Former Altrincham library, Stamford New Road, Altrincham (1 st Floor)	2021/22
15	Car park at Hamon Road, Altrincham	2022/23
16	Pennybridge Lane Car Park, Flixton	2022/23

5.4 Sites for Direct/Partnership Development, subject to approval of final business case if not already.

	Category 2 (Table 2)	Est. Year of Receipt
1	Partington Town Centre Site (land to the rear of Partington Shopping Centre)	2021/22
2	Brown Street, Hale	2021/22
3	Former Sale Magistrates Site	2021/22/23
4	Stokoe Avenue, Altrincham	2022/23/24
5	Tamworth ,Old Trafford	2022/23/24
6	The Jubilee Centre ,St Marys Road, Bowdon	2022/23
7	Higher Road Depot, Urmston	2021/22
8	Former Trafford High School	2022/23
9	Former Trafford Park Depot	2021/22
10	The Riddings, Timperley	2022/23
11	The Claremont Centre	2023/24
12	Britannia Road, Sale	2022/23
13	Denmark Street	2022/23
14	Former Stretford Sorting Office Site, Lacy Street, Stretford	2023/24
15	Former Moss View School, Partington	2022/23

6. Additional Sites

6.1 Should sites become surplus during the year or if the Council be approached by purchasers and developers for sites not currently identified for disposal then this will be subject to initial discussion and approval at Place Shaping Board and if appropriate (and meeting the Council's corporate , strategic and financial criteria) added to the programme. An options appraisal will be produced, and a formal decision will be requested of the Executive Member and a period of public consultation will be undertaken in the usual way.

7. This is contained in Part 2

8. This is contained in Part 2

9. Other Options

9.1 Retention of surplus property would have consequences for the resourcing of the Capital Programme, impact on revenue savings and the delivery of a range of Council objectives.

9.2 As set out above, alternative options are considered for each site before they are added to the Strategic Land Review Programme.

10. Consultation

- 10.1 With the development of the One Trafford Estate project linked to the wider One Public Estate the Council will now assess the availability of its assets in the context of any wider requirements alongside public sector partners.
- 10.2 This supports the view that assets should be looked at in supporting service delivery and seeing if greater disposal receipts across the public sector estate can be achieved where a local disposal strategy may not be the best answer. To achieve this consultation is undertaken across all service areas to ensure that there are no other appropriate uses for an asset, for the Council or its partners, prior to it being declared surplus. In some cases this will identify a specific future use following disposal, which will indicate the source of potential purchasers, such as Providers for affordable housing. Major disposals affecting a wider area are, as appropriate, subject to consultation with local stakeholders.

11. Reasons for Recommendation

- 11.1 The sale of surplus assets reduces the Council's overall expenditure and backlog maintenance, generates capital receipts to support the capital programme, assists regeneration and place making in strategic locations and facilitates residential development and in turn housing growth. There is a need to undertake a range of procedures to ensure that the best consideration for the sale is achieved including full exposure to the market and a transparent audit trail.
- 11.2 The development of Council owned land allows for a greater receipt than a simple disposal and gives the Council control over how the land is developed so that it can be better aligned with the Council's strategic objectives and that the development meets Council priorities relating to affordable housing, energy efficiency and carbon reduction.

Key Decision

This is a Key Decision currently on the Forward Plan: Yes
If Key Decision has 28 day notice been given Yes

Exempt Information

By virtue of Paragraphs 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by The Local Government (Access to Information) (Variation) Order, the following information has been excluded from Part 1 of this report and included in Part 2 of the report:

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)

In all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Finance Officer Clearance PC

Legal Officer Clearance TR

CORPORATE DIRECTOR'S SIGNATURE

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.