

TRAFFORD BOROUGH COUNCIL

Report to: Executive
Date: 24th September 2014
Report for: Decision
Report of: The Executive Member for Economic Growth and Planning and the Corporate Director for Economic Growth, Environment and Infrastructure

Report Title

Land Sales Programme 2014/15 and 2015/16

Summary

To advise Members of the outcome of the 2013/14 Land Sales Programme, to propose a programme for the disposal of land and buildings during the financial year 2014/15, 2015/16 and beyond and to seek the necessary delegations.

Recommendation(s)

1. Note the outcome of the 2013/14 Land Sales Programme.
2. Approve the Land Sales Programme for 2014/15 onwards as set out in the report.
3. Delegate authority to the Corporate Director for Economic Growth, Environment and Infrastructure to:
 - a. negotiate and accept bids.
 - b. engage external resources where this will assist in implementing the programme.
 - c. submit an application for planning permission on any properties included in the programme where this will assist in marketing.
 - d. offset eligible disposal costs against capital receipts in accordance with capital regulations up to a maximum of 4% of the value of the capital receipt.
 - 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 Economic Growth and Planning.
 - f.
 - i) add to or substitute sites into the programme during the year
 - ii) hire security services or arrange for the demolition of any property.
 - iii) authorise alternative methods of disposal where appropriate.
4. That the Director of Legal and Democratic Services in consultation with the Corporate Director for Economic Growth, Environment and Infrastructure and where appropriate, the Director of Finance be authorised to finalise and enter into all legal agreements required to implement the above decisions.

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Contact person for access to background papers and further information:

Name: Paul Adshead; Helen Jones

Extension: 2070 1915

Background papers: None

Implications

Financial Impact:	The generation of capital receipts will support the capital investment programme and other initiatives. Service managers are to be made aware that revenue costs of surplus assets will continue to be met from service budgets until the asset is sold.
Legal Impact:	Some properties may require Ministerial consent.eg for disposal of former school playing fields, and others may be subject to restrictive covenants. Depending on the method of disposal of each property there may be procurement and state aid issues that will require consideration.
Human Resources Impact:	None directly related to this report
Asset Management Impact:	The disposal of surplus assets is in accordance with the Asset Management Plan and Asset Strategy to assist service delivery and strategies and reduce backlog maintenance.
E-Government Impact:	None directly related to this report
Risk Management Impact:	The programme is actively managed to ensure that outcomes are met, give more certainty of delivery and better outcomes.
Health and Safety Impact:	A reduction in health and safety issues by disposing of vacant buildings.

1. Background

- 1.1 The Land Sales Programme sets out a list of land and buildings that the Council intends to sell in the forthcoming year(s) and 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 in the confidential Part II of the agenda.
- 1.2 The Land Sales 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 A new approach to disposals was adopted during 2013-14, which included the Business Breakfast event, improved engagement with developers, site investigations, development briefs and the preparation of contracts prior to sites being marketed. Whilst this may have extended the time spent in

preparing sites for disposal, the benefits more than outweighed this, as several sites were completed within 4 weeks of tender dates, and realised higher receipts than estimated.

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:

- **Long Term Accommodation (LTA)** – the most significant project to date has resulted in the regeneration of Trafford Town Hall allowing staff from other buildings to be relocated. This has released a number of properties for disposal in this programme and is delivering on going revenue savings.
- **Depots strategy** – The number of Environment, Transport and Operations depots has been reduced by a move of operations to Carrington Depot. This may lead to the release of Higher Road Depot, Urmston and the former Partington Depot for future disposal. Wharf Road depot in Altrincham is also included in the programme for disposal in the future as a consequence of the review of the Waste Disposal Contract.
- **Care strategies** – Changes to service delivery has resulted in the disposal of a number of day care and residential facilities. Most recently Katherine Lowe House, Davyhulme has been included in the programme and has now been sold to a private care provider.
- **Collaboration and co-location** - Partnership working has led to shared use of accommodation. This is already producing more efficient use of assets and should lead to the release of surplus assets across partners. Other proposals will follow and are likely to lead to a reduction in properties required across the partnership. Currently the Greater Manchester West Mental Health NHS Foundation Trust is negotiating to acquire 71a Chapel Road, Sale which they currently occupy. This will enable improvement to the premises and the services provided to clients.

Additionally, the YOS team have vacated Stretford Public Hall, thus allowing it's disposal, and moved into shared accommodation at Sale Police Station.

- **Corporate Landlord** – The adopted corporate landlord approach to managing the Council's property assets will improve the management of assets. There will be future 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.

2.2 A range of strategies affect the way in which assets are disposed of. 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:

- **Regeneration** – Ongoing projects in town centres have presented opportunities for the restoration of key assets and regeneration through schemes including Council land, eg Hale Barns, Urmston and Woodsend Circle in Flixton.
- **Housing growth and affordable housing targets** are also supported by the Land Sales Programme, often in partnership with Registered Social Landlords. Disposals of land for nil value may be required if schemes are to be funded by the Homes and Communities Agency, however no such sites are identified on the current Programme. Development of sites for residential development also has the advantage of attracting the New Homes Bonus, which is a payment from central government for increasing the net number of homes. As an example the site at Marlow Close, Davyhulme, previously sold by the Council and comprising 50 dwellings and 30 apartments that will generate in the order of £700,000 over the period of the scheme.
- **Extra Care** – Changes in demographics and residential care provision have highlighted a need for Extra Care residential provision. For example the Council transferred land at Atkinson Road, Sale to Trafford Housing Trust enabling the construction of a 71 bed extra care facility (now completed) as well as providing land for a small residential development. Negotiations are currently taking place with THT regarding provision of a key facility in Shrewsbury Street, Old Trafford.
- **Community Asset Transfer** - The Council has supported, where appropriate, key local organisations to deliver improved services in conjunction with the use of Council assets. Four sites have in the recent past been the subject of successful transfer (Raglan Road, Walton Park, The Hub, and Firswood former library) enabling the continuation of much enhanced provision of facilities for the community.

2013/14 Programme

3.1 Sites sold in 2013/14 were as follows:-

TABLE A		
	Site	Capital receipt (£000)
1.	39 Ellesmere Rd, Altrincham	11
2.	Marlow Close, Davyhulme	124
3.	M63 compensation	13
4.	Woodfield Rd, Altrincham (deposit)	55
5.	Grange Ave, Timperley Phase 2	105
6.	Broadway, Davyhulme	10
7.	Lloyd house, Trafford Park	142
8.	Katherine Lowe House, Flixton	575
9.	71/73 Northenden Rd, Sale	1,750
10.	Blair Ave, Flixton	60
11.	234 Ayres Rd, Old Trafford	180
12.	3 Kenwood Rd, Stretford (deposit)	25
13.	Chester Rd, Stretford	52
	Total receipts 2013/14	3,102

3.2

The Land Sales Programme for 2013/14 was £8.265m. The difference between the projected and actual figures was due to a number of sites having to be rolled forward to future years. It is expected that all of the sites rolled forward will be sold during the 2014/15 financial year, with the exception of Friars Court which is being held for a wider regeneration scheme.

3.3 Sites carried forward from the 2013/14 programme that have already been sold this financial year are as follows:-

Site location		Actual capital receipt (£000)
1.	3 Kenwood Rd, Stretford (balance)	225
3.	Arcon Place, Altrincham	200
4.	Woodfield Rd, Altrincham (balance)	497
5.	9/13 Washway Rd, Sale	226
Total receipts to date 2014/2015		1,148

3.4 Highlights of disposals in 2013/24

- The sale of the former Park House and Northenden Road resource centre (71/73 Northenden Road) to a local residential developer was completed at a higher than estimated price giving evidence of the improving housing market and the impact of the improved marketing approach. A planning application is currently awaited.
- Katharine Lowe House sold to a care home operator for higher than the estimated price.
- Phase 2 Grange Avenue , Timperley, a former derelict play area has now been completed and provided 20 affordable houses and apartments for Great Places Housing Association and in addition generated a relatively small £310k capital receipt (£205k in respect of Phase 1 received in 2012/13) but produced an excellent outcome.

4.1 The remainder of 2013/14 sites to be sold in in 2014/15 are as follows :-

	Site location	Reason for sale	Comment
1	Roseneath Road, Urmston	Surplus property	Contracts now exchanged.
2	Humphrey Rd, Old Trafford	Surplus former CPO land	To be marketed Sept/Oct 2014.
3	Sinderland Rd, Altrincham	Joint sale involving National Trust	Contracts exchanged – subject to Planning.
4	Ortonbrook, Partington	Surplus property	To be marketed Oct 2014.
5	Brook Rd (adj 29), Flixton	Surplus land	To be marketed Sept/Oct 2014.
6	Old Trafford Supporters club - Lease	Land	Lease for car parking

4.2 Further Sites programmed to be sold in 2014/15 are as follows:-

	Site location	Reason for sale	Comment
1	Denzell Cottages, Dunham	Surplus property	Listed property. To be marketed Oct 2014
2	Stretford Public Hall	Surplus property	Listed building. Currently being marketed.
3	Bowfell House, Flixton	Surplus property	To be marketed Oct 2014.
4	Borough Rd, Altrincham (fmr 15/21)	Surplus land	To be marketed Nov 2014.
5	11 Melville Rd, Stretford	Surplus property	To be marketed Sept 2014.
6	56 Langshaw St, Stretford	Surplus property	To be marketed Oct 2014.
7	Cecil Rd, Hale (informal car park)	Surplus property	To be marketed Oct/Nov2014.
8	69 Bowness St, Stretford	Possession Order	To be marketed Sept 2014. Addition to LSP.
9	Crown Passages, Hale	Sale to adjacent owner	Sale agreed subject to contract.
10	71a Chapel Rd, Sale	Surplus property	Potential sale to NHS – current occupier. Addition to LSP.

5. **Sites programmed for sale 2015/16 and beyond:-**

	Site location	Reason for sale	Comment
1	Higher Road Depot, Urmston	Surplus property	Not yet vacated – alternative use being explored.
2	Partington Depot, Manchester Rd	Surplus property	Currently used by Partington Town Council, who are aware of proposals.
3	Woodsend Circle, Flixton	Regeneration	Currently under development.
4	The Gorse, Bowdon	Surplus property	Subject to access and covenant issues
5	Partington Library (site of)	Surplus property	Joint sale with Peel
6	Moss View Primary, Partington	Surplus property	Currently in use pending a decision on future needs. May be retained.
7	Altrincham Depot, Wharf Rd	Potential surplus property	Under discussion – may be surplus 2014 subject to the outcome of the JV proposals.
8	65a Roseneath Rd, Urmston	Surplus property	Former Equity Housing property, addition to LSP.
9	Land adjoining Ingleby Court Stretford	Surplus land	Addition to LSP.
10	Friars Court, Sibson Rd, Sale	Surplus property	Demolition to commence Sept 2014. Part of the wider town centre regeneration scheme.
11	Stokoe Avenue, Altrincham	Surplus land	Proposed mixed use scheme with development partners.
12	Brentwood School, Altrincham	To be surplus	Not yet vacated.
13	St. Mary's Rd, Bowdon (land adj. Jubilee Centre)	Development and regeneration	Planning application under preparation

6 New sites becoming surplus during the year will be added to the programme in consultation with the Executive Member, and where these involve the approval of a development brief, a formal decision will be requested of the Executive Member and a period of public consultation will be undertaken in the usual way.

Other Options

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

Consultation

Consultation with all service areas is undertaken to ensure that there are no further appropriate uses for the Council or its partners. In some cases this will identify a specific future use following sale, which will indicate the source of potential purchasers, such as Registered Social Landlords for affordable housing. Major disposals affecting a wider area are, as appropriate, subject to consultation with local stakeholders.

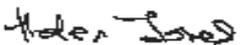
Reasons for Recommendation

The sale of surplus assets reduces the Council’s overall expenditure and backlog maintenance, generates capital receipts to support the capital programme and assists regeneration. 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.

Key Decision

This will be a Key Decision likely to be taken in: Sept 2014
This is a Key Decision currently on the Forward Plan: Yes ~~No~~
If Key Decision has 28 day notice been given Yes

Finance Officer Clearance (type in initials)...gb.....
Legal Officer Clearance (type in initials)...jw.....



DIRECTOR’S SIGNATURE (electronic)