

TRAFFORD COUNCIL

Report to: Executive
Date: 25th July 2016
Report for: Decision
Report of: The Executive Member for Economic Growth, Environment and Infrastructure

Report Title

Land Sales Programme 2016/17 and beyond

Summary

To advise Members of the outcome of the 2015/16 Land Sales Programme, to propose a programme for the disposal of land and buildings during the financial year 2016/17 and beyond and to seek the necessary delegations.

Recommendation(s)

1. Note the outcome of the 2015/16 Land Sales Programme.
2. Approve the Land Sales Programme for 2016/17 onwards as set out in the report.
3. Delegate authority to the Deputy Chief Executive 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 Environment and Infrastructure.
 - 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 - Deputy Chief Executive and where appropriate, the Chief Finance Officer 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: Simon Davis;
Extension: 3113
Background papers: None

Implications

Relationship to Policy Framework/Corporate Changes	Supports policy for Economic Growth and Development
Financial:	The generation of capital receipts will support the capital investment programme or used to repay debt.
Legal Implications:	None
Equality/Diversity Implications:	None
Sustainability Implications:	None
Resources Implications: eg Staffing/ICT/Assets	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.
Risk Management Implications:	The programme is actively managed to ensure that outcomes are met, give more certainty of delivery and better outcomes.
Health and Wellbeing Implications:	None
Health and Safety Implications:	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.

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 adopted corporate landlord approach to managing the Council's property assets is improving the management of assets. Land Sales as well as the corporate estate are regularly monitored and reviewed. Through the One Trafford partnership all assets are to be 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 shared use of accommodation. This is already producing more efficient use of assets and should 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. In addition the project is ensuring that Council assets are available where we have a suitable building for greater cross working and can ensure our estate strategies are aligned to those of our public sector partners. This has meant that Trafford Council has representation on key strategic estate bodies such as the GM Property and Estates Panel and the Strategic Estates Group.

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:

- **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. In addition increasing the number of housing units provides much needed housing supply and generates additional Council Tax
- **Community Asset Transfer** - The Council has supported, where appropriate, community organisations to deliver services in conjunction with the use of Council assets. However asset transfers were paused during 2015/16 as most of these types of transactions are linked to assets in the leisure portfolio. As Trafford is undertaking a complete review of leisure assets to be able to deliver a suitable, efficient and wide ranging set of leisure services it needs to determine which of its assets are required and which assets can be deemed surplus.
- **Regeneration** – Ongoing projects in town centres have presented opportunities for the restoration of key assets and regeneration through schemes including Council land, e.g., Altrincham and Timperley,

3. Capital receipts in 2015/16 were as follows:-

	Site	Capital receipt (£000s)
1.	Borough Road, Altrincham	311
2.	Gordon Avenue, Sale (land at)	294
3.	Ingleby Court, Stretford (land to rear)	250
4.	Woodsend Circle, Flixton	100

5.	Humphrey Road, Old Trafford	54
6.	Land at Oak Road, Sale (release of covenant)	33
7.	Shay Lane, Hale (land at - release of covenant)	17
8.	Stretford Public Hall, Chester Road, Stretford	Nominal
Total receipts 2015/16		1,059

- 3.1 The Land Sales Programme for 2015/16 was £3,579,000. The difference between the projected and actual figures was due to a number of sites having to be rolled forward to future years. This is for several reasons including Trafford Council's strategy of generating income streams from assets rather than disposals, where appropriate, and the need to retain capacity in relation to the developing depot strategy. In addition with the property market in an upturn it was prudent to revisit the valuations of some assets where a small amount of delay would gain a far greater income. It is expected that the majority of the sites rolled forward will be sold during the 2016/17 financial year if the best option is disposal.
- 3.2 The Council now have a hierarchy of considerations before disposal is the decided strategy for any asset. The introduction of the One Public Estate programme means that multi use building and the service provision of other public sector bodies may provide a better option for an asset that was otherwise deemed surplus. In addition this could promote the opportunity to create more regular revenue income especially from council assets that would have been sold.
- 3.3 The Council is allowed to charge disposal costs against capital receipts up to a maximum of 4% on eligible receipts in accordance with Statutory Instrument 454 2010 section 23h.

4. Sites programmed to be sold in 2016/17 are as follows:-

	Site Location	Reason for Sale	Comment
1	Crown Passages, Hale	Sale to adjacent owner	Pending completion
2	Sinderland Road, Altrincham	Surplus property	Delayed sale pending revaluation and disposal.
3	54 Thornbury Rd, Stretford	Surplus land	Private treaty disposal
4	37 Pemberton St, Old Trafford	Surplus land	Private treaty disposal
5	9 Beever St, Old Trafford	Surplus property	Private treaty disposal
6	12 Norton St, Stretford	Surplus property	Private treaty disposal
7	151 Stamford St, Old Trafford	Surplus property	Private treaty disposal
8	57 Milner St, Stretford	Surplus property	Private treaty disposal
9	65 Roseneath Rd, Urmston	Surplus property	Private treaty disposal
10	68 Thornbury Rd, Stretford	Surplus property	Private treaty disposal
11	21 Great Stone Rd, Stretford	Surplus property	Private treaty disposal
12	12 Ayres Rd, Old Trafford	Surplus property	Private treaty disposal
13	65a Roseneath Road, Urmston	Surplus property	Private treaty disposal

14	Moss View Primary School (fmr), Partington	Potentially surplus property	Building being utilised temporarily awaiting disposal.
15	Altrincham Depot, Wharf Road (and adj. site of former Darby and Joan club)	Potentially surplus property	Being vacated
16	The Gorse, Bowdon	Surplus land	Contracts exchanged, subject to planning
17	293 Manchester Road, Altrincham	Surplus property	Part of wider development for disposal
18	Stokoe Avenue, Altrincham	Surplus land	Mixed use scheme.
19	Cecil Road, Hale	Surplus property	Conditions for sale being reviewed.
20	Ortonbrook, Oak Road, Partington*	Surplus land	Sale nearing conclusion
21	Denzell Cottages, Bowdon	Surplus Property	To be openly marketed post offers to adjoining owners.
22	Altair, Altrincham	Redevelopment	selling as part of wider development, phased payments.
23	Timperley Library, Timperley	Redevelopment	Mixed use scheme, private treaty disposal
24	Fairview Children's Home	Surplus Property	Vacant property

Note – the sites denoted with an asterisk are where the Council has opted to tax the site and VAT implications will need to be considered.

- 4.1 These programmed properties are likely be sold during this financial year but it is possible that some sites may roll forward to next or future years should issues arise that delay the disposals (title issues, planning issues, consent issues etc.).

5. Sites programmed for sale 2017/18 and beyond:-

	Site Location	Reason for Sale	Comment
1	Hale Library	Sale and Phased receipts	Overage dependent on sale of units
2	Timperley Library	Phased receipts	Overage dependent on sale of units
3	St Marys Road , Bowden	Development opportunity	Links to rebuilding of Jubilee Rooms and provision of parking for Cinnamon Club
4	Friars Court, Sibson Road, Sale*	Private Treaty sale	Deal with adjoining owner.
5	Higher Road Depot*	Surplus	Sale on completion of new depot site
6	Brooklands Cemetery Lodge, Sale	Asset Strategy - Potentially surplus	Building currently in use
7	Brooklands Cemetery Chapel,	Asset Strategy -	Listed building, options

	Sale	Potentially surplus	being considered.
8	Central Road, Partington	Surplus	Regeneration.
9	Former Co-op site Partington	Surplus	Regeneration
10	Altair, Altrincham	Redevelopment	selling as part of wider development, phased payments.

Note – the sites denoted with an asterisk are where the Council has opted to tax the site and VAT implications will need to be considered.

- 5.1 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.
- 5.2 It should be noted that those sites marked as ‘Potentially surplus’ have not been formally declared surplus to Council requirements and may be required for future use. If they are required then they will be removed from the programme.

Other Options

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.

Consultation

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 or any wider requirements alongside public sector partners. 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. 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, assists regeneration and facilitates residential development. 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: July 2016
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 GB

Legal Officer Clearance JL

Helen Jones

DIRECTOR'S SIGNATURE *(electronic)*