

Report to: Executive
Date: 16th February 2022
Report for: Decision
Report of: The Executive Member Housing and Regeneration

Report Title

Strategic Land Review Programme 2022 – 2023 - Part 1

Summary

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

Recommendation(s)

The Executive are recommended to:

1. Note the outcome of the 2021/22 Strategic Land Review Programme Disposals
2. Approve the Strategic Land Review Programme for 2022/23 as set out in the report
3. Delegate authority to the Corporate Director of 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.
 - 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 and Regulatory Services.

- 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. Delegate authority to the Corporate Director of Place, in consultation with the Executive Member for Housing and Regeneration and the Director of Finance and Systems, to add or substitute sites into the programme during the year including sites with a value of over £499,000.
- 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 of 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 Priorities	Supports the Corporate priority for building quality, affordable and social housing; and successful and thriving places.
Relationship to GM Policy or Strategy Framework	At a Greater Manchester level, the programme supports the GM Strategy and GM Local Industrial Strategy 2019.
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	None
Sustainability Implications	The generation of capital receipts supports a

	number of capital schemes that will aid the Council in its carbon neutrality objectives.
Carbon Reduction	Carbon assessments will be commissioned as part of any redevelopment proposals.
Resource Implications e.g. 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 Strategic Land Review Programme. The programme will require significant staffing resources in the Development Team, Legal and Finance.
Risk Management Implications	The key risk will be associated with holding property which is vacant.
Health & Wellbeing Implications	No direct implications
Health and Safety Implications	A reduction in health and safety issues by disposing of vacant buildings.

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 2 of the report.
- 1.2 The Council has made good progress in 2021/22 with a number of development projects underway and a number of disposals outlined in the 2021/22 report completed.
- 1.3 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.
- 1.4 The Council strives to use its property assets in the most advantageous way possible for the community and to achieve its service delivery, financial and regeneration economic growth objectives.
- 1.5 COVID 19 has continued to impact Council Budgets and it is increasingly apparent that the Council are unable to continue to hold on to empty assets which incur 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:

a) Corporate Operational Estate Strategy

In February 2021, the Council adopted an Operational Estate Strategy to provide a clear vision, principles and objectives from which the organisation can work to create action plans for the more effective management of its operational estate.

The Corporate Operational Estate Strategy sets out a strategic purpose for the management of the Council's buildings from which public sector services are delivered which forms the operational estate. The strategy sets out a vision, key principles and core objectives that will result in the improved strategic management of the buildings needed to deliver public sector services.

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b) 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. Corporate Landlord Strategic and Operational Groups meet monthly which provides the opportunity to identify changes in service provision and therefore property requirements.

There will also be opportunities for further rationalisation or development 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.

c) 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 'One Trafford Estate' project was initiated to work 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. The funding for this project however, will be coming to an end in March 2022 and the Council will need to consider how it continues to ensure that progress is made in the aspects of the above work.

The Council also continues to make good progress with its JV Partners on projects across the Borough including the Stamford Quarter in Altrincham, Stretford Mall redevelopment with Bruntwood Partnerships and the development of the Tamworth site with Trafford Housing Trust.

- 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:

- a) **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.
- b) **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. In November 2021 the Council opened the Brown St development, the development consists of 10 market sale houses and 12 shared ownership apartments. The Council and GMCA has published ambitious housing targets and the disposal and development 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.
- c) **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.
- d) **Economic Development and Regeneration** – Ongoing projects in town centres have presented opportunities for the regeneration through schemes including Council land, e.g. Brown St, Regent Road, Altrincham and the former Royal Mail Sorting Office, Stretford. The redevelopment of Stretford Mall and the Former Rackhams building in Altrincham in partnership with Bruntwood continue to make good progress with work programmed to start on both projects in 2022. Where appropriate, assets will be used to support regeneration projects.

3. Land development and 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 Council undertakes options appraisals on all surplus sites or identified assets 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. Whilst this may mean that the asset is held vacant for a longer period, the Council can potentially deliver wider benefits than a land sale alone.

3.3 The Council has recruited an in-house development team to take the lead on direct development sites. This, together with the integration of the former Amey Estates Team which was approved at Executive in December 2021, will allow a fully co-ordinated approach to the review of land, property and development opportunities across the Council Portfolio which will all be documented in a forthcoming 10 Year Estates Strategy, to be brought to Executive later in the year.

Work has already started on this priority initiative and will provide the Council with a consolidated programme with risks and opportunities identified for the Council to develop a robust and long term strategy for estate management, growth and investment.

3.4 Current economic, social and environmental conditions require resources to be used far more efficiently. Property is a key resource in the delivery and transformation of Council and partner services, in the ability of the Council to bring about regeneration of our town centres and neighbourhoods, and in the generation of value, both capital and revenue, to support our wider objectives and priorities.

3.5 It must now be used as an even more flexible and transformational resource which demands constant review and challenge on a corporate basis, while being mindful of specific service and community needs, and for prioritisation in investment and disinvestment decisions to achieve both value for money in use of property and to assist in the achievement of policy objectives.

3.6 The value of the public sector property portfolio, optimisation of usage and the release of value have become key headlines in the drive for public sector savings and the transformation of public service delivery. The international economic downturn has in parallel caused difficulties within the property market, impacting on the level of income derived from investment assets, the ability to dispose of surplus assets at a reasonable value or at all, and the ability of all sectors to achieve the level of regeneration and development required to turn the economy around. A further consequence of the economic environment is the reduction in public sector funding, which impacts on both the ability to fund the existing building stock, and the services provided from it. Constant review is therefore essential in the light of a frequently refreshed strategy.

4. Capital Receipts Received 2021/22

There have been a number of capital receipts from land sales in 2021/22. Details are below:-

Financial Year	Site	Capital Receipt
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2021/22	Second Avenue, Trafford Park	£1,815,000
2021/22	350 Flixton Road, Urmston	£789,950
2021/22	190/192 Flixton Road, Urmston	£575,000
2021/22	2a Houldsworth Avenue, Tmperley	£355,500
2021/22	Sale of freehold of plots at Ocean Street Trading Estate	£70,000
2021/22	Release of restrictive covenant 8a Daresbury Avenue, Urmston	£40,000
2021/22	Higher Road, Urmston	£1,550,000
2021/22	65/65a Roseneath Road, Urmston	£325,000
Sales in progress*		
2021/22	Sale Cemetery Lodge	
2021/22	Land at Virgil Street, Old Trafford	
2021/22	Former Equity Housing properties 68 Thornbury Road, Stretford and 12 Norton Street, Stretford	
	Total	£5,520,450

*At the time of writing this report these sales are in progress and are expected to complete by the end of the 2021/22 financial year. The outcome of the sales will be reported in future update reports.

5. Disposal and Development programme for 2022/23 and beyond.

5.1 The report has split the property assets already identified for 2022/23 and beyond into two categories:

Category 1 (Table 1 below) 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 2022/23 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 below) 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 The investment opportunities related to each of these sites is reviewed on a regular basis to continue to determine the most appropriate and financially beneficial option for disposal, development or alternative use.

	Category 1 (Table 1)	Est. year of Receipt
1	Friars Court	2022/23
2	Hale Library, Hale (deferred payment)	2022/23
3	Altair, Altrincham (phased payment)	2023 & 24/25
4	The former site of Partington Library, Central Road, Partington	2022/23
5	Review of Leases on Town Centre Assets (Stamford Quarter and Stretford Mall)	2022/23
6	Former Altrincham library, Stamford New Road, Altrincham (1 st Floor)	2022/23
7	Altrincham Town Hall (leasehold, lease length tbd)	2022/23

	Category 2 (Table 2)	Est. Year of Receipt
1	Partington Town Centre Site (land to the rear of Partington Shopping Centre)	2023/24
2	Former Sale Magistrates Site	2022/23/24
3	Stokoe Avenue, Altrincham	2023/24
4	Tamworth ,Old Trafford	2023/24
5	The Jubilee Centre ,St Marys Road, Bowdon	2022/23
6	Former Trafford High School	2023/24/25
7	The Riddings, Timperley	2023/24
8	The Claremont Centre, Chapel Road	2023/24
9	Oaklands Car Park	2023/24
10	Britannia Road, Sale	2023/24
11	Denmark Street	2022/23
12	Former Stretford Sorting Office Site, Lacy Street, Stretford	2023/24/25
13	Land between 29 and 31 Brook Road, Urmston	2022/23
14	Car park at Hamon Road, Altrincham	2022/23
15	Former Moss View School, Partington	2023/24
16	K Site	2023/24/25

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. Other Options

- 7.1 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.

7.2 Alternative options are considered for each site before they are added to the Strategic Land Review Programme.

8. Consultation

8.1 No consultation was required for this report. However, appropriate consultation will be undertaken as and when required as part of the disposals and developments set out in this report.

8.2 With the development of the One Trafford Estate project linked to the wider One Public Estate the Council will assess the availability of its assets in the context of any wider requirements alongside public sector partners.

8.3 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.

9. Reasons for Recommendation

9.1 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.

9.2 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:

1. ~~Information relating to any individual.~~
2. ~~Information which is likely to reveal the identity of an individual.~~
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)

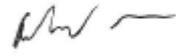
4. ~~Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the Council and employees of the Council.~~
5. ~~Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.~~
6. ~~Information which reveals that the authority proposes—
 - (a) ~~to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or~~
 - (b) ~~to make an order or direction under any enactment~~~~
7. ~~Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.~~

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: *MB*

Legal Officer Clearance: *TR*

[CORPORATE] DIRECTOR'S SIGNATURE (*electronic*)



To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.