

TRAFFORD COUNCIL

Report to: Executive
Date: 21st February 2024
Report for: Decision
Report of: The Executive Member for Economy and Regeneration and the Corporate Director of Place

Report Title

Strategic Land Review Programme Update – Part 1

Summary

To advise Members of the outcome of the 2023/24 Land Sales Programme.

To propose assets to be brought forward for disposal in future financial years.

Recommendation(s)

The Executive are recommended to:

1. Note the outcome of the 2023/24 Land Sales Programme.
2. Approve the Disposal Programme for 2024/25 as set out in the report and note the sites that have been earmarked for disposal / development.
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 the Director of Legal and Governance for all sites listed on the Disposal 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 £499,999.
 - 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 of Place 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. Authorise marketing, pricing and disposal strategies and authorise the sale of plots, either individually or in blocks, including where the anticipated or actual capital receipt exceeds £499,999.
4. Delegate authority to the Director of Legal and Governance in consultation with the Corporate Director of Place and, where appropriate, the Director for Finance and Systems, to finalise and enter into all legal agreements required to implement the Disposal Programme for 2024/2025.

Contact person for access to background papers and further information:

Name: Richard Roe
 Background papers: None

Implications

Relationship to Policy Framework/Corporate Changes	Supports policy for Economic Growth and Development.
Financial:	Receipts generated from the disposal of sites as detailed in Category 1 and returns from development of sites detailed in Category 2 are currently earmarked to directly support the Capital Programme, although these could also be used to support the wider strategic management of Council borrowing.
Legal Implications:	Each disposal/development will be reviewed for legal implications on an individual basis.

Equality/Diversity Implications:	None as a consequence of this report.
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 risks are associated with holding property which is vacant and development risk of self development and joint venture development sites. A risk register/ risk management process will be in place for each development.
Health and Wellbeing Implications:	None as a consequence of this report.
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. New homes built through the development programme will be built to a fabric first approach and have carbon reduction measures built into the design process.

1.0 Background

- 1.1 The intention of the Strategic Land Review Programme is to set 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.
- 1.2 The Strategic Land Review Programme is an integral part of the Council's Estates Strategy and is the conclusion of a corporate process of identification of surplus assets linked to service planning and an options appraisal process.

2.0 Land Sales Progress 2023/24

The below table shows progress against the approved land sales in 2023/24.

Site	Progress Update
The Riddings	Sold - £1.40m
Land between 29-31 Brook Road, Urmston	Sold - £0.30m
Brook Close, Timperley	Sold - £0.43m

3.0 Disposal programme for 2024/25 and beyond.

3.1 This report has split the property assets already identified for 2024/25 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. There are also sites on this list where the Council has assessed that there is no development potential or no benefit in undertaking direct development.

The year of the receipt is indicative, and a number of these sites will realise the receipts 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.).

It is important to note that the most straightforward disposals have now been delivered and the list below represents the next tranche. A number of these have risks associated with them and may have existing tenants and/ or planning issues that need to be overcome prior to disposal.

	Category 1 (Table 1)	Est. year of Receipt	Progress
1	Hamon Road, informal parking land in Altrincham.	2024/25	N/A
2	Friars Court, Sale	2024/25	Agents instructed
3	Hale Library	2024/25	Awaiting completion
4	The Jubilee Centre, St Marys Road, Bowdon	2025/26	N/A
5	Re gear of Leases on Town Centre Assets (Stamford Quarter and Stretford Mall)	2024/25	In negotiations
6	Former Altrincham library, Stamford New Road, Altrincham (1 st Floor) <i>(premium payable for leasehold interest)</i>	2024/25	In negotiations
7	Wharf Road Garages	2025/26	N/A
8	Altrincham Town Hall	2024/25	In negotiations
9	Land at Denmark St, Altrincham	2024/25	Agents instructed
10	Former RBS Bank - Central Road, Partington	2024/25	Agents instructed
11	Oakland Drive Car Park, Sale	2024/25	N/A
12	Manor Avenue Car Park, Urmston	2024/25	N/A
14	Metrolink Car Park, Sale Water Park (to Metrolink)	2024/25	In negotiations
15	Land at Tipping St, Altrincham	2024/25	In negotiations
16	Land at Balmoral Rd, Altrincham	2024/25	In negotiations
17	Land at Seymour Grove, Old Trafford	2026/27	In negotiations
18	Land at Central Way, Altrincham	2025/26	N/A
19	Former primary school Moss View, Partington	2026/27	N/A
20	Former Trafford High School	2025/26	N/A
21	Merry House, Sale*	2024/25	N/A
22	Brown Street Car Park, Hale	2025/26	N/A
23	Land at Hale Cemetery	2025/26	N/A
24	Land at Irlam Lane	2025/26	N/A
25	Land at Lime Road, Stretford	2025/26	N/A
26	Land at Marsland Rd, Sale	2025/26	N/A
27	Land at Vale Road, Timperley	2025/26	N/A
28	Land at Pennybridge Lane/Shawe Road, Flixton	2024/25	N/A
29	Land in Timperley wedge PfE allocation	2025/26	N/A

*The Council acquired Merry House in August 2021 during COVID when there were significant pressures on care services and to ensure continuity of care for the residents. The Council has investigated a range of refurbishment and redevelopment options, however, the costs of redeveloping the building and the level of works required to the building to deliver a fit for purpose care facility are

not affordable. To justify significant levels of capital expenditure, the Merry House redevelopment would have to offer value for money, sufficient return on investment and asset appreciation and the financial business case does not demonstrate this. The property is currently vacant and former residents have moved to alternative accommodation.

The purpose of the sale will be to recover the costs spent to date, noting that there may be some risk that the grant to refurbish some elements of the property may need to be repaid also.

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. Where this is a self-development site, these will require enabling works to unlock timing of receipts and the programme will be updated and reviewed constantly as part of a risk management process of wider property estate and the land sales programme.

	Category 2 (Table 2)	Est. Year of Receipt
1	Partington Town Centre Site (land to the rear of Partington Shopping Centre)	2026/27
2	Former Sale Magistrates Site	2025/26
3	Stokoe Avenue, Altrincham	2025/26
4	Former Tamworth Court Site, Old Trafford	2025/26
5	Chapel Road	2024/25
6	K Site, Stretford	2024/25
7	Lacy Street Land Assembly Former Sorting Office Probation Service Building Lacy Street Car Park	2025/26
8	Land at Oakfield Rd/Moss Lane, Altrincham	2025/26

3.2 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.

4.0 Additional Sites

4.1 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 (in accordance with the approved delegations). Similarly, there are likely to be opportunities that arise during the year to make strategic acquisitions that support our development and regeneration objectives. In all instances, an options appraisal will be produced, and a formal decision will be requested of the Executive Member (where total acquisition costs are less than £500k and for which budgetary provision can be identified) and a period of public consultation will be undertaken in the usual way. Potential opportunities which exceed £500k will be subject to approval by the Executive.

5.0 Finance commentary

5.1 Receipts generated from the disposal of sites as detailed in Category 1 and returns from development of sites detailed in Category 2 are currently earmarked to directly support the Capital Programme, although these could also be used to

support the wider strategic management of Council borrowing. The current level of receipts assumed in the proposed three-year Capital Programme is circa £13.66m. This level of receipts will be monitored throughout the year as part of the capital monitoring process with any changes that impact on the levels available to support the capital programme being reported. There is an element of risk when selling or developing sites and as such a proportionate approach is taken in these assumptions.

6.0 Other Options

- 6.1 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.
- 6.2 Alternative options are considered for each site before they are added to the Strategic Land Review Programme.

7.0 Consultation

- 7.1 Appropriate 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.

8.0 Reasons for Recommendation

- 8.1 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.
- 8.2 The development of Council owned land provides an opportunity to achieve a greater receipt as develop profit will be retained by the Council. It 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

Finance Officer Clearance MB
Legal Officer Clearance: EM

CORPORATE DIRECTOR'S SIGNATURE

