

TRAFFORD COUNCIL

Report to: Executive
Date: 26th June 2017
Report for: Decision
Report of: The Executive Member for Investment

Report Title

Land Sales Programme 2017/18

Summary

To advise Members of the outcome of the 2016/17 Land Sales Programme, to propose a programme for the disposal of land and buildings during the financial year 2017/18 and to seek the necessary delegations.

Recommendation(s)

1. Note the outcome of the 2016/17 Land Sales Programme.
2. Approve the Land Sales Programme for 2017/18 as set out in the report.
3. Delegate authority to the 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 Highways, Parks and Environmental Services.
 - 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 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: Richard Roe

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 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	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 being added to the Land Sales Programme.
Risk Management Implications:	No direct implications.
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. The use of specialist software (CAFM / TRAMPS) will enable the Council to undertake better decisions in respect of retention / investment and disposals of operational assets. 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:

- Investment opportunities – reports to Executive in December 2016 and February 2017 set out the Council's investment strategy. As part of this strategy the disposal route for any asset will be subject to a full options appraisal which 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, 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** 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 potential to attract the New Homes Bonus, which is a payment from central government for increasing the net number of homes above a threshold. 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 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 regeneration through schemes including Council land, e.g. Regent Road, Altrincham.

3. Capital receipts in 2016/17 were as follows:-

	Site	Capital receipt (£000s)
1.	Altrincham Depot, Wharf Road (and adj. site of former Darby and Joan club)	1,125
2.	Meadowside (Pathways), Torbay Road, Urmston.	1,002
3.	293 Manchester Road, Altrincham	280
4.	Land R/O Nags Head, Davyhulme	260
5.	Denzell Cottages, Bowdon	250
6.	Fairview Childrens home, 136 Fairywell Road, Timperley.	172
7.	Crown Passages, Hale	135
8.	Timperley Library (deposit)	17
	Total receipts 2016/17	3,241

- 3.1 The projected Land Sales Programme for 2016/17 at the start of the year was £6,461,000. 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, delays with purchasers carrying out due diligence on a large site and resolution of legal issues. 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 2017/18 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. By adopting this approach, this will reduce the level of capital receipts available to support the financing of the Council's Capital Programme however additional benefits will be generated from any new revenue income stream. This position will be monitored closely with any significant movements affecting the level of capital receipts available to finance the Capital Programme being reported to Members during the year.

- 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 declared surplus and prioritised for review in 2017/18 are as follows:-

	Site Location
1	Ortonbrook, Oak Road, Partington
2	Friars Court, Sibson Road, Sale
3	Stokoe Avenue, Altrincham
4	Britannia Road, Sale
5	Brentwood School, Timperley
6	Clarendon House, Altrincham
7	Flixton Road, Flixton
8	Partington Town Centre site
9	2 nd Avenue, Trafford Park
10	Old Trafford Master Plan sites

- 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.). As set out in paragraph 2.2 the investment opportunities related to each of these sites will be reviewed to determine the most appropriate and financially beneficial option for disposal, development or alternative use.

5. Sites for review

There are a number of sites within the Council portfolio with the potential for generating capital receipts or income. These will be measured against potential social improvement or benefit to the Council. An option analysis will be undertaken to identify the potential of the sites. The sites with potential will come forward in the programme as Additional Sites.

6. Additional Sites

- 6.1 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.

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.

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

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

Finance Officer Clearance GB

Legal Officer Clearance JLF

DIRECTOR'S SIGNATURE

