

## TRAFFORD BOROUGH COUNCIL

Report to: Executive  
Date: 29<sup>th</sup> July 2013  
Report for: Decision  
Report of: The Executive Member for Economic Growth and Prosperity

### Report Title

**Land Sales Programme 2013-14 and beyond**

### Summary

**To advise Members of the outcome of the 2012/13 Land Sales Programme, to propose a programme for the disposal of land and buildings during the financial year 2013/14 and beyond, and to seek the necessary delegations.**

### Recommendation(s)

1. Note the outcome of the 2012/13 Land Sales Programme
2. Approve the proposed additions to the Land Sales Programme for 2013/14 onwards as set out in the report.
3. Delegate authority to the Executive Member for Economic Growth and Prosperity in consultation with the Corporate Director for Economic Growth and Prosperity 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
  - 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 subject to revenue costs being met from donor Services
    - iii) authorise alternative methods of disposal where appropriate e.g. auction and joint ventures

### 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 in support of 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 for disposal of former school playing fields and others may be subject to restrictive covenants
Human Resources Impact:	None directly related to this report
Asset Management Impact:	The disposal of surplus assets 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:	A reduction in health and safety issues although empty buildings pose a risk to third parties. Market conditions and external funding continue to be the major risks to delivery of the Programme. Valuations are also subject to reasonable planning assumptions on use, density, etc. The new planning obligations introduced in February 2012 are currently being monitored to determine potential effect on viability and land value and what impact there may be on the Land Sales Programme.
Health and Safety Impact:	A reduction in health and safety issues by disposing of vacant buildings.

## 1.0 Background

- 1.1 The Land Sales Programme sets out for each year a list of land and buildings 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 the report.
- 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. Sites for sale are identified through two processes:
- through service transformation where services are to be delivered differently and property is then surplus to requirements
  - through identification of land with development opportunity.

## 2.0 Factors affecting the Land Sales Programme

- The need to ensure assets are used in the most strategic way to support the Council's overall financial and growth objectives
- Economic conditions making property development more difficult to progress and deliver quickly and viably
- Expectations of the various provisions in the Localism Act, and community awareness and interest in open space and related issues.

### 3.0 Current Strategies and the linkages with the Programme

3.1. The use and disposal of property is an important item in 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:

- **Accommodation Strategy** – Ongoing projects in town centres have presented opportunities for the restoration of key assets and regeneration through developments including Council land.
- **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 which are highlighted for disposal in this Programme and are ring-fenced to the LTA project as indicated in the attached table.
- **Depots strategy** – The number of Environment, Transport and Operations depots has been reduced by a move of operations to Carrington Depot. This has released Higher Road Depot, Urmston and the former Partington Depot for disposal. Potentially, the Wharf Road depot in Altrincham may also become available in due course.
- **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 become vacant and is included in the Land Sales Programme.
- **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.
- **Corporate Landlord** – A corporate landlord approach to managing the Council's property assets will improve the management of these assets. Through efficiencies in terms of maximizing the capacity of buildings to be retained and partnerships with public, private and third sector partners there will be future opportunities for further rationalisation of the property portfolio.

3.2 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 and economic growth** – Council owned land, and property in town centres in particular, has been used as catalyst for regeneration. Current key regeneration sites include the Altair scheme in Altrincham, Old Trafford (Masterplan), and other neighbourhood centre schemes such as Woodsend Circle, Urmston. These have been brought forward for development and will enhance areas while potentially delivering capital receipts.
- **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, and potential 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 number of homes. As an example the site at Marlow Close, Davyhulme referred to below and comprising 50 dwellings and 30 apartments will generate in the order of £700,000 over a period of 6 years.
- **Extra Care** – Changes in demographics and residential care provision have highlighted a need for Extra Care residential provision. The Council is working with Registered Social Landlords to achieve this, with the Atkinson Road site in Sale and adjacent Trafford Housing Trust site currently progressing and negotiations taking place with Trafford Housing Trust in respect of a site on Shrewsbury St, 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. Following the proposals for Community Right to Bid now included in the Localism Act, there is greater interest in community assets, and innovative ways in which assets can be used for the benefit of local communities. Opportunities will continue to be sought within this framework.

## 4.0 Future Strategy

4.1 A more strategic approach to the disposal of land and property will be adopted in delivering this programme to assist in increasing the overall supply of new housing in the borough and maximising value to the Council. Where appropriate therefore, consideration will be given to a number of disposal options including:

- Consideration of location, to ensure that sites in proximity to each other are brought to the market at the same time. This will provide efficiencies for developers and therefore maximise value.
- Assessment of adjacent land assets in third party ownership that could add marriage value to Council sites or unlock a wider development opportunity.
- Alternative delivery models that could generate a greater return and/or ensure delivery, including the Greater Manchester Housing Investment Model (in partnership with the Greater Manchester Pension Fund as an institutional investor in new housing), equity share, or deferred payment.
- Establishing a development agreement/joint venture with a private sector developer or packaging of sites together.
- Outcomes from the Land Pooling Agreement currently being assessed to support delivery of the Old Trafford Masterplan.
- The use of CPO powers to enable development where appropriate.

4.2 A streamlined approach between services within the Economic Growth Directorate and Legal Services will ensure that opportunities are maximised and that transactions are completed in a timely manner.

**5. Sites sold in 2012-13 were as follows:-**

<b>TABLE A</b>	
	<b>Site</b>
1.	Grange Ave, Timperley
2.	Brookside EPH, Barlow Rd, Altrincham
3.	M60 compensation
4.	Marlow Close, Davyhulme
5.	Atkinson Rd, Sale
6.	Land adjoining Old Trafford Supporters Club
7.	Land at Bowdon C of E Primary School

5.1 All unsold sites have been rolled forward to the current year.

5.2 Sale of land at Atkinson Road to Trafford Housing Trust was completed to enable the construction of a 71 bed extra care facility and in addition achieve a significant capital receipt for land for residential development.

5.3 Final stage payments are also now being received from Persimmon Homes in respect of a deferred payment transaction at Marlow Close, Davyhulme where the base figure has now been exceeded. This has proved to be a successful outcome to a sale which took place in difficult market conditions and the Council is now benefiting from higher sales figures being achieved.

6. Sites programmed to be sold in 2013-14 are as follows:-

	Site location	Reason for sale	Comment
1.	Roseneath Road, Urmston	Surplus property	To be marketed Aug 2013.
2.	Woodfield Road, Broadheath	Surplus land – former CPO	Sold subject to planning.
3.	Arcon Place, Altrincham	Surplus land	Sold subject to planning.
4.	234 Ayres Rd, Old Trafford	Surplus property	Sec of State consent required. To be marketed Sept 2013.
5.	Sinderland Rd, Altrincham	Joint sale involving National Trust	Sale to Greene King and Villafont subject to planning.
6.	Grange Ave, Timperley (Phase 2)	Surplus land	Subject to planning. 8 affordable dwellings.
7.	Brook Rd (adj 29), Flixton	Surplus land	To be marketed Aug 2013.
8.	71/73 Northenden Rd Resource Centre, Sale	Surplus as a result of LTA	To be marketed July 2013.
9.	Katherine Lowe EPH, Davyhulme	Surplus property	To be marketed Aug 2013.
10.	9/13 Washway Rd, Sale	Surplus property	Awaiting vacation of CAB.
11.	Humphrey Rd, Old Trafford	Surplus former CPO land	Allocated for disposal to RSL.
12.	Marlow Close, Broadway, D'hulme	Surplus land	Balance of deferred payment.
13.	Broadway, D'hulme (remaining)	Surplus land	Sale to RSL.
14.	Stokoe Ave, Altrincham	Surplus land	Sale to adjacent land owner.
15.	Ortonbrook, Partington	Surplus property	To be marketed Aug 2013. Possible Section 77 consent required.
16.	3 Kenwood Rd, Stretford	Surplus property	.
17.	Blair Ave, Flixton	Overage	
18.	Friars Court, Sibson Rd, Sale	Surplus property - LTA	Town centre regeneration
19.	Old Trafford Supporters club - Lease	Land	Lease for car parking
All sites, with the exception of No 10, 18 and 19 are likely to be sold for housing purposes			

7. **Sites programmed for sale 2014 and beyond:-**

	<b>Site location</b>	<b>Reason for sale</b>	<b>Comment</b>
1.	Denzell Cottages, Dunham Rd, Bowdon	Surplus property	Listed property
2.	Stretford Public Hall, Chester Rd	Surplus property	Listed building
3.	Higher Road Depot, Urmston	Surplus property	Not yet vacated – alternative planning use.
4.	Partington Depot, Manchester Rd	Surplus property	Currently used by Partington Town Council, who are aware of proposals.
5.	Woodsend Circle, Flixton	Regeneration	Development agreement
6.	Lloyd House, Trafford Park	Surplus Property	Office accommodation in Trafford Park
7.	The Gorse, Bowdon	Surplus Property	Subject to access and covenant issues
8.	Partington Library	Surplus Property	Joint sale with Peel
9.	Moss View Primary, Partington	Surplus Property	Currently in use pending LTA but current users vacating Sept 2013. May be retained.
10.	Bowfell House, Flixton	Surplus Property	Not yet declared surplus
11.	Borough Rd, Altrincham	Surplus Property	Vacant land
12.	11 Melville Rd, Stretford	Surplus Property	Currently occupied – available 14-15
13.	Cecil Rd, Hale	Surplus Property	Informal car park
14.	Altrincham Depot, Wharf Rd	Surplus Property	Under discussion – may be surplus 2014



7.1 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**

All options will be considered as set out in the report, to ensure best value and the achievement of wider objectives. 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. Wider projects where amalgamation of individual sites is appropriate, achieves a higher receipt than individual site sales.

**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.

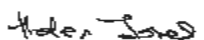
**Reasons for Recommendation**

The sale of surplus assets reduces the Council's overall expenditure, backlog of maintenance, generates capital receipts and supports regeneration. There is a need to undertake a range of procedures to ensure that the best consideration for the sale is achieved. This will in future include more formalised option appraisal in accordance with processes agreed by the Council's external auditors. This includes the incurring of eligible expenditure in advance of sale, which will be recouped from the sale proceeds.

**Key Decision**

This will be a key decision likely to be taken in: July 2013  
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)...mrj... ..



**DIRECTOR'S SIGNATURE**