

TRAFFORD COUNCIL

Report to: Executive
Date: 29 June 2015
Report for: Decision
Report of: The Executive Member for Economic Growth and Planning

Report Title

Land Sales Programme 2015/16 and beyond

Summary

To advise Members of the outcome of the 2014/15 Land Sales Programme, to propose a programme for the disposal of land and buildings during the financial year 2015/16 and beyond and to seek the necessary delegations.

Recommendation(s)

1. Note the outcome of the 2014/15 Land Sales Programme.
2. Approve the Land Sales Programme for 2015/16 onwards as set out in the report.
3. Delegate authority to the Corporate Director Economic Growth Environment and Infrastructure 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 Planning.
 - 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 Corporate Director for Economic Growth, Environment and Infrastructure and where appropriate, the Director of Finance 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: Phil Pennington; Helen Jones
Extension: 4256 1915
Background papers: None

Implications

Financial Impact:	The generation of capital receipts will support the capital investment programme or used to repay debt.
Legal Impact:	Some properties may require Ministerial consent eg for disposal of former school playing fields, and others may be subject to restrictive covenants. Depending on the method of disposal of each property there may be procurement and state aid issues that will require consideration.
Human Resources Impact:	None directly related to this report
Asset Management Impact:	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.
E-Government Impact:	None directly related to this report
Risk Management Impact:	The programme is actively managed to ensure that outcomes are met, give more certainty of delivery and better outcomes.
Health and Safety Impact:	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 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.
- 1.4 A new approach to disposals was adopted in 2013/14, which included improved engagement with developers, site investigations, development briefs and the preparation of contracts prior to sites being marketed. Whilst this may extend time spent in preparing sites for disposal, the benefits of legally closing down sales quickly and securing best value for sites, more than outweigh this. Feedback from developers is that this has added greater clarity and certainty to the process which is welcomed.

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. There will be

opportunities for further rationalisation of the property portfolio through efficiencies by maximizing the capacity of buildings to be retained and partnerships with public, private and third sector partners.

- Depots strategy – The number of Environment, Transport and Operations depots has been reduced. This will lead to the release of Higher Road Depot, Urmston and Wharf Road depot in Altrincham and they are included in the programme for disposal in the future. The former Partington Depot was sold during 2014/15.
- 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. Additionally, the YOS team vacated Stretford Public Hall, thus allowing its disposal.

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 the best capital receipt. 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.
- Extra Care – Changes in demographics and residential care provision have highlighted a need for Extra Care residential provision. For example the Council disposed of land at Shrewsbury Street, Old Trafford during 2014/15 to Trafford Housing Trust to provide a key facility in the North of the borough.
- Community Asset Transfer - The Council has supported, where appropriate, key local organisations to deliver improved services in conjunction with the use of Council assets enabling the continuation of much enhanced provision of facilities for the community. Examples of this strategy include the transfer of Broomwood Community Centre.
- Regeneration – Ongoing projects in town centres have presented opportunities for the restoration of key assets and regeneration through schemes including Council land, e.g. Hale Barns, Altrincham, Urmston and Woodsend Circle in Flixton.

3. Capital receipts in 2014/15 were as follows:-

	Site	Capital receipt (£000)
1.	Woodfield Road, Altrincham	508
2.	Eden Square, Urmston	1,486
3.	Shrewsbury Street, Old Trafford	465
4.	Bowfell House, Flixton	357
5.	Roseneath Road, Urmston	256
6.	9/13 Washway Road, Sale	231
7.	3 Kenwood Road, Stretford	230
8.	Arcon Place, Altrincham	206
9.	Manchester Road, Partington	204
10.	11 Melville Road, Stretford	148
11.	56 Langshaw Street, Stretford	118
12.	69 Bowness Street, Stretford	102
13.	Cheriton Road, Flixton (Land off)	58
14.	Lowther Gardens, Flixton	53
15.	Urban Road, Altrincham	53
16.	Old Trafford Supporters Club lease	50
17.	Sinderland Road, Altrincham (Deposit)	41
18.	Oakdeane Road, Timperley	31
19.	Land at Moss Lane West, Old Trafford	17
20.	Humphrey Road, Old Trafford (deposit)	6
	Total receipts 2014/15	4,620

3.1 The Land Sales Programme for 2014/15 was £4.743m. The difference between the projected and actual figures was due to some sites having to be rolled forward to future years in order to address matters such as title issues, restrictive covenants and site specific issues. The majority of the deferred sites will be sold in 2015/16 with at least 2 sites due to complete in Q1 of this financial year.

4. Sites programmed to be sold in 2015/16 are as follows:-

	Site Location	Reason for Sale	Comment
1	Sinderland Road, Altrincham (land at)	Surplus land	Pending completion
2	Stretford Public Hall, Stretford	Surplus property	Pending completion
3	Gordon Avenue, Sale (land at)*	Surplus land	Pending completion
4	Ingleby Court, Stretford (land to rear)	Surplus land	Pending completion
5	65a Roseneath Road, Urmston	Surplus property	Private treaty disposal to Housing Association
6	54 Thornbury Road, Stretford	Surplus property	Private treaty disposal to Housing Association
7	37 Pemberton Street, Old Trafford	Surplus property	Private treaty disposal to Housing Association
8	9 Beever Street, Old Trafford	Surplus property	Private treaty disposal to Housing Association
9	12 Norton Street, Stretford	Surplus property	Private treaty disposal to Housing Association
10	151 Stamford Street, Old Trafford	Surplus property	Private treaty disposal to Housing Association
11	57 Milner Street, Stretford	Surplus property	Private treaty disposal to Housing Association
12	65 Roseneath Road, Urmston	Surplus property	Private treaty disposal to Housing Association
13	12 Ayres Road, Old Trafford	Surplus property	Private treaty disposal to Housing Association
14	68 Thornbury Road, Stretford	Surplus property	Private treaty disposal to Housing Association
15	21 Great Stone Road, Stretford	Surplus property	Private treaty disposal to Housing Association
16	Humphrey Road, Old Trafford (land at)	Surplus land	Contracts exchanged, subject to planning
17	Woodsend Circle, Flixton	Regeneration	Development underway
18	Ortonbrook, Oak Road, Partington*	Surplus land	To be marketed June 15
19	Denzell Cottages, Bowdon	Surplus property	Listed buildings, offers to be invited from adjoining owners.
20	Borough Road, Altrincham (land at)	Surplus land	To be marketed June 15
21	Stokoe Avenue, Broadheath (Land at)	Surplus land	Mixed use scheme, private treaty disposal to Housing Association

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 sites and 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 2016/17 and beyond:-

	Site Location	Reason for Sale	Comment
1	Crown Passages, Hale	Sale to adjacent owner	Terms agreed, Duchy consent needed
2	Friars Court, Sibson Road, Sale*	Surplus property	Demolished, site held for regeneration
3	Moss View School (former), Partington	Asset Strategy - Potentially surplus	Building currently in use
4	Brentwood School, Sale	Asset Strategy - Potentially surplus	Building currently in use
5	Partington Library (former), Partington*	Asset Strategy - Potentially surplus	Site currently in use
6	Altrincham Depot and adjacent land, Altrincham*	Asset Strategy - Potentially surplus	Building currently in use
7	Brook Road, Flixton (land at)	Surplus land	Secretary of States consent required for disposal
8	The Gorse, Bowdon (land at)	Surplus land	Title and access issues to be resolved prior to sale
9	293 Manchester Road, Altrincham	Asset Strategy - Potentially surplus	Building currently in use
10	Higher Road Depot, Urmston*	Asset Strategy - Potentially surplus	Building currently in use
11	Cecil Road, Hale (land at)	Surplus land	To be sold once residents parking scheme set up.
12	St. Mary's Rd, Bowdon (land at)	Development and regeneration.	Development options being explored.
13	Davyhulme Library, Davyhulme	Asset Strategy - Potentially surplus	Building vacated but not yet declared surplus.
14	Hale Library Hale	Surplus Property	Mixed use scheme, tenders received.
15	Timperley Library Timperley	Surplus Property	Mixed use scheme private treaty disposal

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.

6. 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.

- 6.1 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

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: June 2015
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).....LP.....

Helen Jones

[CORPORATE] DIRECTOR’S SIGNATURE (electronic)

To confirm that the Financial and Legal Implications have been considered and the Deputy Chief Executive has cleared the report prior to issuing to the Executive Member for decision.