

**Land and Asset Management
Committee**

15th September, 2016 at 5.15 pm
at the Sandwell Council House, Oldbury

Present: Councillor Gavan (Chair);
Councillors Edis, Eling and P Hughes.

Apologies: Councillors Costigan, Moore and Taylor.

11/16 **Minutes**

Resolved that the minutes of the meeting held on 12th May, 2016 be confirmed as a correct record.

12/16 **Exclusion of the Public**

Resolved that the public and press be excluded from the rest of the proceedings to avoid the possible disclosure of exempt information under Schedule 12A to the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006 relating to the financial or business affairs of any particular person (including the authority holding that information).

Business Matter

13/16 **Capital Receipts 2015/16**

The Committee received details of the total capital receipt achieved in 2015/16 as a result of the sale of surplus land and property belonging to the Council.

The report highlighted the sale price, completion date, authority utilised to affect the disposal, valuation, reason for sale and method of sale.

Members noted the information and welcomed future updates in order to seek reassurances that the Council strived to meet market value when disposing of land and property.

Key Decisions

14/16

Disposal of the Crocketts Lane Development Site, Smethwick (Key Decision Ref. No. LAM02)

Authority was sought to dispose of the freehold interest in Council owned land off Crocketts Lane, Smethwick, to the owner of the former Sandwell College site.

The former college and buildings (save for the Grade II listed building) on Crocketts Lane had been acquired by ESRG Crocketts Lane Ltd who intended to undertake a residential development of the site which fell within the High Street and Crocketts Lane Conservation Area. Development would consist of town houses and conversion of two locally listed former school buildings for apartments. Planning consent for both redevelopment of the cleared site and conversion of the Grade II listed building was granted in May 2016.

The Council owned the cleared site of the former Crocketts Lane Junior and Infant School which immediately abutted ESRG Crocketts Lane Ltd land.

ESRG Crocketts Lane Ltd had submitted a request to purchase the Council's land for inclusion in its development scheme. The sale would not only ensure continuity on the development but would also assist in delivering a comprehensive regeneration of the area.

An equality impact assessment was not required.

Resolved to recommend to Cabinet:-

- (1) that the site of the former Crocketts Lane Junior and Infant School, Crocketts Lane, Smethwick be declared surplus to the Council's requirements;

- (2) that, subject to (1) above, the Council dispose of the freehold interest of the site of the former Crocketts Lane Junior and Infant School, Crocketts Lane, Smethwick, shown hatched black and Marked A on Plan No SAM/13240/016, to ESRG Crocketts Lane Ltd on terms and conditions to be agreed by the Director – Regeneration and Economy;
- (3) that, in the event that ESRG Crocketts Lane Ltd fails to complete acquisition of the land referred to in (2) above, or if terms of disposal cannot be agreed, the Council dispose of the land on the open market on terms and conditions to be agreed by the Director - Regeneration and Economy;
- (4) that, subject to (1) and (2) above, the Council enters into or execute under seal, if necessary, any other related documentation in connection with the disposal of land on terms to be agreed by the Director - Regeneration and Economy.

15/16

Land at Mafeking Road, Smethwick (Key Decision Ref. No. LAM021)

Authority was sought to dispose of land at Mafeking Road, Smethwick to Countryside Limited.

The former Asset Management and Land Disposal Cabinet Committee, at its meeting on 27th October 2011, authorised disposal of the site of the former properties 2-64 Mafeking Road, Smethwick as ten plots to be sold in accordance with the Council's Individual Building Plot policy (Minute No. 6/11 referred).

Whilst the availability of the individual plots was advertised only two offers were received.

Land and Asset Management Committee – 15th September, 2016

Officers were of the view that to accept these offers and subsequently dispose of part of the site would have a detrimental impact upon the marketability and development of the remaining site. It was therefore proposed to not proceed with the sales but to offer the whole site for disposal. Discussions regarding the future of the site had been ongoing for some time with potential for a Council house build being considered.

A request had, however, been received from Countryside Limited, the developer and owner of the adjoining site, to residentially redevelop the site in conjunction with its adjoining land known as Brindley II. The Brindley II site was directly opposite the Mafeking Road site and the intention would be for Countryside Ltd to bring forward the redevelopment of both sites at the same time. This would allow for a continuity of development and subsequently assist in delivering a comprehensive regeneration of the area.

In addition, to accommodate concerns raised by the local community, including the Bangladeshi Islamic Centre and the adjoining Providence Church, it was proposed that a car park would be developed, either on land already in Countryside's ownership or the land the company now wished to acquire.

The Committee welcomed the proposal, however, sought reassurance with regard to the proposed car park, particularly in relation to future maintenance responsibility. Whilst a lower market valuation reflected the use of the land as a car park, members expressed concern. For the Committee to give consideration to the disposal of land at lower than market value, there was a need to justify the decision and demonstrate the value of community benefit.

The Committee was minded to give approval to disposal of the land, subject to best value being achieved. In the event that there was a variance to the independent valuation, the Director – Regeneration and Economy would submit a further report for consideration by the Committee.

Resolved to recommend to Cabinet:-

- (1) that Minute No. 6/11 taken by the former Asset Management Land Disposal Cabinet Committee on 27th October 2011 be not proceeded with in so far as it relates to the disposal of the freehold interest of land at Mafeking Road, Smethwick as ten Individual Building Plots and/or disposal of the site on the open market;
- (2) that, subject to (3) below, the Council dispose of the freehold interest in approximately 3056 m² of land off Mafeking Road, Smethwick, shown edged black on Plan No. SAM/30960/003, to Countryside Ltd on terms and conditions to be agreed by the Director - Regeneration and Economy;
- (3) that, in the event that the capital receipt for the disposal of land off Mafeking Road, Smethwick, is lower than the independent valuation, the Director – Regeneration and Economy submits a further report to the Land and Asset Management Committee for consideration;
- (4) that, in the event that Countryside Ltd fail to complete acquisition of the land as outlined in (2) above, or if terms of disposal cannot be agreed, the Council of the land on the open market on terms and conditions to be agreed by the Director - Regeneration and Economy;
- (5) that the Council enters into or execute under seal, if necessary, any other related documentation in connection with the disposal of the site on terms and conditions to be agreed by the Director - Regeneration and Economy.

16/16

Land Agreement at Junction 2 – Exchange of Lands at Swallowfield Court, off Wolverhampton Road, Oldbury (Key Decision Ref. No. LAM023)

Authority was sought to an exchange of lands at Swallowfield Court, off Wolverhampton Road, Oldbury with Deutsche Bank, an adjoining land owner.

Deutsche Bank, the owner of the Centrica Building situated on Birchley Island, Oldbury had approached the Council with regard to affecting an exchange of lands to accommodate additional parking for the office building. The current parking provision was considered insufficient and the intention was to create a new car park on the land currently owned by the Council.

By creating this new car park, the Centrica building would be more attractive to potential lessees and this should assist in increasing the business stimuli on site particularly now that the current tenant had announced its intention to withdraw from the premises due to restructuring its services. Deutsche Bank were keen to provide additional parking as this had been identified as being necessary to allow the building to be utilised to full capacity and let to new tenants.

In return for the Council's land, Deutsche Bank was prepared to transfer to the Council lands which, when added to land already in the Council's ownership, created a development site opportunity.

The Committee was minded to approve the exchange, however, in the event that in future years the land was sold yielding a higher value, a covenant and charge would be placed on the piece of land used for car parking in order to protect the Council's long term interests and to maximise the value of the land based on its restrictive use.

Resolved to recommend to Cabinet:-

- (1) that the Council dispose of the freehold interest in the land off Wolverhampton Road, Oldbury, shown edged black and Marked A on Plan No SAM/53980/023, to Deutsche Bank to construct a car park, and otherwise on terms and conditions to be agreed by the Director – Regeneration and Economy;
- (2) that the Council acquire, from Deutsche Bank, land off Wolverhampton Road, Oldbury, shown hatched black (Marked B) and shaded grey (Marked C) on Plan No SAM/53980/023, on terms and conditions to be agreed by the Director – Regeneration and Economy;
- (3) that the Council enters into or execute under seal, if necessary, any other related documentation in connection with the exchange of the lands referred to in (1) and (2), including a restrictive covenant and charge on the land marked A on Plan No. SAM/53980/023, on terms to be agreed by the Director – Regeneration and Economy.

17/16

Land at Mill Street, Great Bridge, Tipton (Key Decision Ref. No. LAM024)

Authority was sought to dispose of the freehold interest in land at Mill Street, Great Bridge, to Mar City Homes Limited.

On 18th June 2009, the former Cabinet Member for Regeneration and Transport authorised disposal of the freehold interest in the redundant car park in Mill Street, Great Bridge to one of the Council's preferred partners for development with affordable housing. In the event that none of the preferred partners wished to proceed or if an agreed sale, for whatever reason, failed to proceed, it was agreed that the site should be offered on the open market for disposal (Minute No. 36/09 referred).

Unfortunately none of the Council's preferred partners wished to acquire the site. The site was therefore scheduled to be marketed and sold as part of the 2016/17 disposal programme.

Land and Asset Management Committee – 15th September, 2016

In the intervening period and prior to the site being offered to the market, a request had been received from Mar City Homes Limited, an adjoining land owner, who had a special interest in acquiring the site in question.

Mar City was currently residentially developing its adjoining site and wished to acquire the Council's land for inclusion in its development proposals. A sale direct to Mar City would not only ensure a continuity of development but also create a main road frontage for the company's development as the car park in question was on the corner of Mill Street and Horseley Heath which in turn assisted in delivering a comprehensive regeneration of the area.

Resolved to recommend to Cabinet at its meeting on 19th October, 2016:-

- (1) that Decision No. 36/09, taken by the former Cabinet Member for Regeneration and Transport on 18th June 2009, be not proceeded with in so far as it relates to the disposal of the freehold interest off land at Mill Street to one of the Council's preferred partners;
- (2) that the Council dispose of the freehold interest in approximately 1095 m² of land off Mill Street, Great Bridge, shown edged black on the plan attached, to Mar City Homes Ltd on terms and conditions to be agreed by the Director - Regeneration and Economy;
- (3) that, in the event that Mar City Homes Limited fail to complete acquisition of the land as outlined in (2) above, or if terms of disposal cannot be agreed, the Council dispose of the land on terms and conditions to be agreed by the Director - Regeneration and Economy;
- (4) that the Council enters into, or execute under seal if necessary, any other related documentation in connection with the disposal of the site on terms and conditions to be agreed by the Director - Regeneration and Economy.

18/16

Proposed Freehold Disposal of Former Hateley Heath Training Centre, 64-66 Clarkes Lane, West Bromwich (Key Decision Ref. No. LAM025)

Authority was sought for the disposal of the freehold reversionary interest in the former Hateley Heath Training Centre, 64-66 Clarkes Lane, West Bromwich to the current tenant and to absolve the Council of any future maintenance liabilities. Approval was also sought to any small area of land not forming part of the lease demise but deemed appropriate for inclusion in the sale to also be sold.

64-66 Clarkes Lane was a single storey building formerly utilised by the Council as a training centre but let for use as a day nursery.

A request had now been received to acquire the freehold interest in the premises so as to improve and subsequently invest monies into the property.

As the property formed part of the Council's commercial estate, the request to buy had been considered in accordance with the Council's Tenanted Non Residential Property Strategy, as approved by the former Asset Management and Land Disposal Cabinet Committee on 29th October 2014 (Minute No. 27/14 referred). The request met the criteria for disposal and was not in a town centre location.

The Council's externally appointed agents, who had been appointed to specifically deal with disposals under the strategy, had conducted informal negotiations and provisionally agreed, subject to member approval, a sale price for the Council's interest.

In the event that the disposal did not progress in accordance with required deadlines, or terms were not agreed, it was proposed that the site should be offered to the open market subject to the lease.

Land and Asset Management Committee – 15th September, 2016

Resolved to recommend to Cabinet at its meeting on 19th October, 2016:-

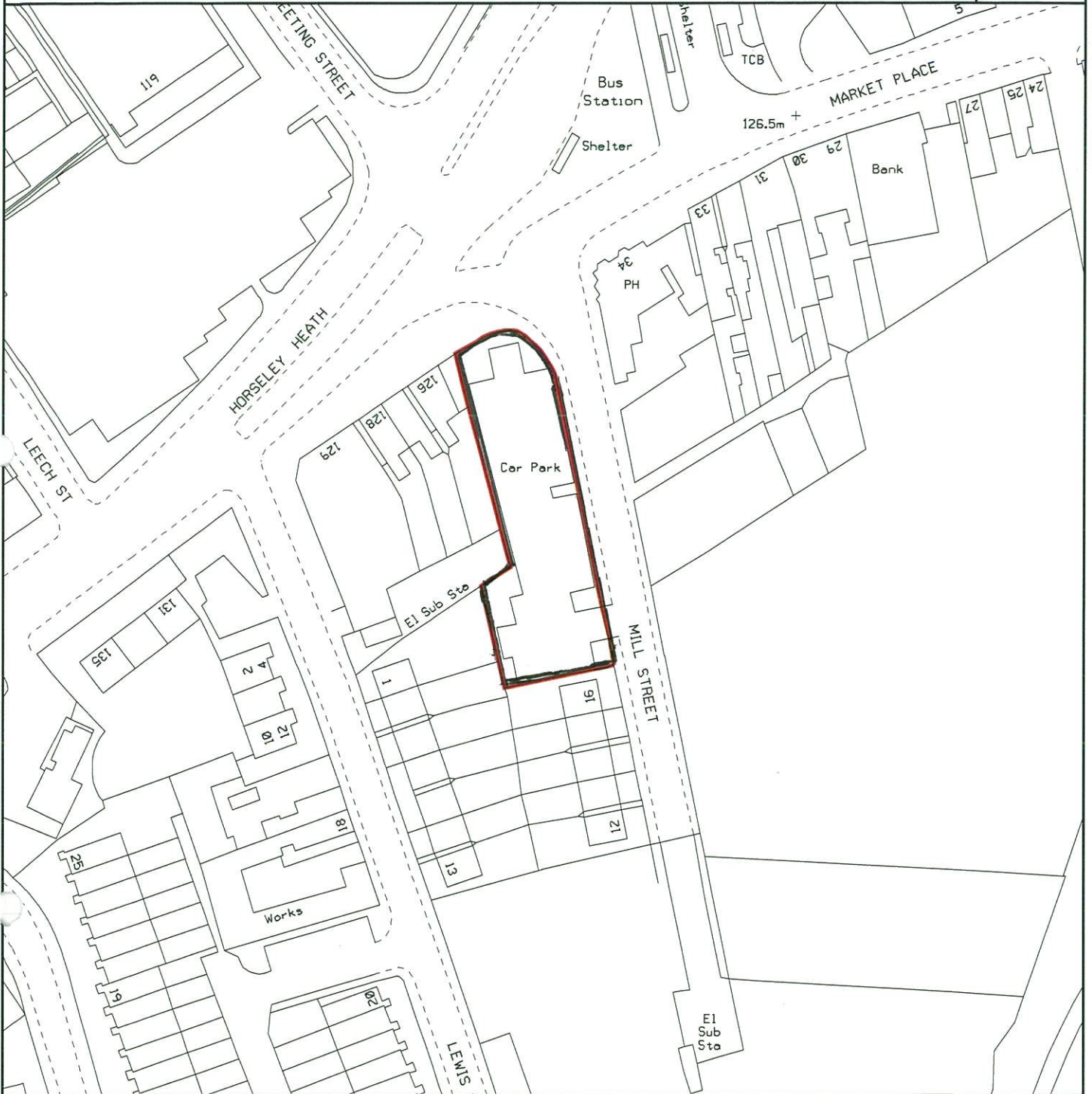
- (1) that, subject to settlement of any outstanding estate management issue(s), the Council dispose of the freehold reversionary interest in 64-66 Clarkes Lane, West Bromwich, shown edged black on Plan No. SMA/11180/002 to the existing lessee, together with any small area of adjoining land deemed appropriate for inclusion in the sale and otherwise on terms and conditions to be agreed by the Director - Regeneration and Economy;
- (2) that, in the event that the existing lessee does not wish to proceed and/or terms and conditions of sale cannot be agreed within prescribed deadlines, the Council dispose of the freehold interest on the open market subject to the lease on terms and conditions to be agreed by the Director - Regeneration and Economy;
- (3) that the Council enters into or execute under seal, if necessary, any other related documentation in connection with the disposal of the land referred to in (1) and (2) above on terms and conditions to be agreed by the Director - Regeneration and Economy;
- (4) that, following completion of the sale referred to in (1) and/or (2) the Chief Finance Officer, in consultation with the Director - Regeneration and Economy, make arrangements for target budget adjustments.


(Meeting ended at 5.55 pm)

Contact Officer: Trisha Newton
Democratic Services Unit
0121 569 3193

REGENERATION AND ECONOMY

PROPERTY SERVICES



LEGEND  Sandwell Metropolitan Borough Council	DESCRIPTION LAND AT MILL STREET GREAT BRIDGE TIPTON FOR ID PURPOSES ONLY	SANDWELL S09792SE	TERRIER 157
	AREA 1095.1 M2 1309.8 Y2	SCALE 1:1000	CENTROID 397597/292394
PLAN NUMBER N/A	THIS MAP IS BASED UPON ORDNANCE SURVEY MATERIAL WITH THE PERMISSION OF ORDNANCE SURVEY ON BEHALF OF THE CONTROLLER OF HER MAJESTY'S STATIONERY OFFICE ©CROWN COPYRIGHT UNAUTHORISED REPRODUCTION INFRINGES CROWN COPYRIGHT AND MAY LEAD TO PROSECUTION OR CIVIL PROCEEDINGS SANDWELL MBC LICENCE NO 100032119 2016		