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Land and Asset Management Committee

15 September 2016

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

1. Summary Statement

- 1.1 The purpose of this report is to seek authority to affect an exchange of lands at Swallowfield Court, off Wolverhampton Road, Oldbury with Deutsche Bank an adjoining land owner.
- 1.2 Deutsche Bank, the owner of the Centrica Building situated on Birchley Island, Oldbury has approached the Council with regard to affecting an exchange of lands to accommodate additional parking for the office building. The current parking provision is considered insufficient and the intention is to create a new car park on the land currently owned by the Council as shown edged black and Marked A on Plan No SAM/53980/023 attached.
- 1.3 By creating this new car park the Centrica building will be more attractive to potential lessees and this should assist in increasing the business stimuli on site particularly now, as members will be aware, that British Gas who are a current tenant has announced its intention to withdraw from the premises as a result of a restructuring of its services. Deutsche Bank are keen to provide additional parking as this has been identified as being necessary to allow the building to be utilised to full capacity and let to new tenants.

- 1.4 In return for the Council's land Deutsche Bank is prepared to transfer to the Council the lands hatched black (Marked B) and shaded grey (Marked C) thus creating, when added to land already in the Council's ownership, a development site opportunity.

Further details are attached for your information

2. **Recommendation**

To recommend to Cabinet:

- 2.1 That the Director – Governance be authorised to dispose of the freehold interest in the land off Wolverhampton Road, Oldbury shown, for identification purposes only, edged black and Marked A on Plan No SAM/53980/023, to Deutsche Bank for construction of a car park and otherwise on terms and conditions to be agreed by the Director – Regeneration and Economy.
- 2.2 That the Director – Governance be authorised to acquire, from Deutsche Bank land off Wolverhampton Road, Oldbury, shown for identification purposes only, 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 & Economy.
- 2.3 That the Director – Governance be authorised to enter into or execute under seal, if necessary, any other related documentation in connection with the exchange of the lands referred to in 2.1 and 2.2 on terms to be agreed by the Director – Regeneration and Economy.

Nick Bubalo
Area Director – Regeneration and Economy

Contact Officers
Stefan Hemming/Kerry Jones
0121 569 3917/3954

3.0 **Strategic Resource Implications**

- 3.1 It is considered that if the Council offered the land shown edged black and marked A on the attached plan on the open market for industrial/commercial purposes a capital receipt in the region of £XXXXXX would be achieved.
- 3.2 Sale of the site, however, to reflect the use for parking purposes only XXXXX the value of the site to £XXXXXXX.
- 3.3 The freehold value of the sites to be acquired by the Council would, if offered on the open market for disposal in isolation, anticipate to achieve a capital receipt in the region £XXXXXXX. The site Marked C will however to be added to the Council owned land adjoining to create a larger development site.
- 3.4 The value of the two sites to be transferred to the Council are therefore considered to be of a slightly higher value as opposed the value of the land to be transferred to Deutsche Bank which would be restricted to car parking purposes only. In view of this, the proposal is that the lands will be exchanged at XXXXXXXX to the XXXXXXXXXXXX of both parties.

4.0 **Legal and Statutory Implications**

- 4.1 Local authorities have powers under the Local Government Act 1972 to dispose of land.
- 4.2 It is Government policy that local authorities should dispose of surplus land wherever possible. Section 123 of the Local Government Act 1972 imposes a statutory duty on local authorities that land should be sold for the best consideration reasonably obtainable. This should be satisfied by a valuation agreed by the Director – Regeneration and Economy.

Secretary of States consent is required if land is to be sold at less than best consideration. Specific Secretary of State consent is not required if an authority considers it appropriate to dispose of land at an undervalue in order to secure the promotion of improvement of the economic, social or environmental well being of its area – in that case the disposal will fall under the Secretary of States general consent (as long as the undervalue is less than £2m).

The intention to dispose of the Council's land subject to a restrictive covenant for parking purposes only means that the Council is maximising the value of the land based on its restricted use. If, at any time in the future, Deutsche Bank, wish to dispose of the land for any other purpose then the Council will be entitled, if appropriate, to the difference in value between the parking use and the use for which it is to be sold. In these circumstances the provisions of Section 123 (1) have been complied with.

5.0 **Implications for the Council's Scorecard Priorities**

- 5.1 The site would support the Council's priorities of encouraging the transformation and physical improvement of the environment by bringing underused land back into productive use.
- 5.2 The release of the site for redevelopment will help the Council contribute further to increase business growth and inward investment within the borough.

6 **Background Details**

- 6.1 Deutsche Bank have experienced difficulty in maintaining occupancy and attracting new businesses to take occupation due to a lack of car parking.
- 6.2 The primary objective of entering into the land exchange with Deutsche Bank is to assist the company to provide improved car parking provision to increase the marketability of the Centrica building.
- 6.3 The surrounding residential area is also suffering fly parking which presents traffic management issues on and around the Wolverhampton Road.