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Land and Asset Management Committee

15 September 2016

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

1. Summary Statement

- 1.1 The purpose of this report is to seek authority to dispose of the freehold interest in land at Mill Street, Great Bridge to Mar City Homes Limited.
- 1.2 The Cabinet Member for Regeneration and Transport at his decision making session on 18 June 2009 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 further approved that the site should be offered on the open market for disposal (Minute No 36/09 refers).
- 1.3 Unfortunately none of the Council's preferred partners wished to acquire the site and in the circumstances the site was scheduled to be marketed and sold as part of the 2016/17 disposal programme.
- 1.4 In the intervening period and prior to the site being offered to the market a request has been received from Mar City Homes Limited an adjoining land owner who has special interest in acquiring the site in question.

- 1.5 Mar City is currently residentially developing its adjoining site and wishes to acquire the Council's land for inclusion in its development proposals.
- 1.6 Sale direct to Mar City will 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 is on the corner of Mill Street and Horseley Heath. This in turn assists in delivering a comprehensive regeneration of the area.
- 1.7 In view of these proposals it is recommended that the land off Mill Street be made available for disposal to Mar City Homes Limited.

2. Recommendations

To recommend to Cabinet:-

- 2.1 That Decision No. 36/09, taken by the Cabinet Member for Regeneration and Transport on 18 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.
- 2.2 That the Director – Governance be authorised to dispose of the freehold interest in approximately 1095 m² of land off Mill Street, Great Bridge shown, for identification purposes only, edged black on the plan attached to Mar City Homes Ltd on terms and conditions to be agreed by the Director - Regeneration and Economy.
- 2.3 That, in the event that Mar City Homes Limited fail to complete acquisition of the land as outlined in 2.2 above or if terms of disposal cannot be agreed, the Director - Governance be authorised to dispose of the land on terms and conditions to be agreed by the Director - Regeneration and Economy.
- 2.4 That the Director – Governance be authorised to enter into or execute underseal, 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.

Nick Bubalo
Director – Regeneration and Economy

Darren Carter
Section 151 Officer

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3. Strategic Resources Implications

- 3.1 An independent valuation of the site has been undertaken by the District Valuer. The District Valuer has indicated that the site, if offered to the open market should achieve a capital receipt in the region of XXXX.
- 3.2 Sale direct to Mar City Homes, however, should achieve a slightly higher sale price as a result of its special interest to the company. The District Valuer is of the opinion that an offer in excess of XXXX should be accepted. This will, however, be reduced if the Company can demonstrate any quantifiable abnormal costs associated with development of the site.

4. Legal and Statutory Implications

- 4.1 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. The Council will meet this requirement since there is no intention to dispose of the land at less than best consideration.
- 4.2 Additionally, provided the Council can demonstrate, through the independent valuation, that it is disposing of the land at market value and provided that the Council is not otherwise making contributions to the developer or the subsequent development, there should not be any State aid implications arising from this transaction

5. Implications for the Council's Scorecard Priorities

5.1 Great Place

The site is currently a redundant car park and has, over recent months been subject to itinerant incursion. It is underused land and gives a poor impression of the area. Its redevelopment for housing will have a beneficial impact on the appearance of the area and provide much needed housing.

5.2 Great Performance

This proposal will bring the site back into beneficial use. In the longer term the development will deliver Council tax for the Council which will link to the Facing the Future agenda being devised by the Council. This is combined with the capital receipt that the Council will receive.

6 **Background Details**

6.1 There is no further background information to add to this report.