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Sandwell Metropolitan Borough Council

Land and Asset Management Committee

26 January 2017

**Disposal of Dagger Lane Resource Centre, Dagger Lane, West Bromwich
(Key Decision Ref. No. SMBC1658)**

1. Summary Statement

- 1.1 Services for visually impaired and services for deaf people in Sandwell are provided by two independent charitable organisations, Sandwell Visually Impaired (SVI) and Sandwell Deaf Community Association (SDCA).
- 1.2 The groups are currently based at Dagger Lane, West Bromwich, in a predominantly residential area of the borough.
- 1.3 The building is currently not fit for purpose and requires significant investment in the short term as the building has been running without mains heating for some time. There are also significant issues that need immediate remedial works around the roof which is a flat roof in poor condition, along with inherent problems around the rendered walls and damp penetration. All of which would account for 40-50% of the overall identified deferred maintenance spend.

- 1.4 The deferred maintenance has been estimated at £110,000 but this does not include any allowance for asbestos removal, which we understand is present within the building. Please see table below for breakdown.

Item	Cost (£)
Structure	12,000
Roof	40,000
Internal	14,000
Mechanical	5,000
Electrical	6,000
Electrical heating	27,000
External works	6,000
Total	110,000

- 1.5 It is proposed that the services are relocated to better and more suitable existing Council owned accommodation to further increase the utilisation of those assets, namely West Bromwich Town Hall and Stoney Lane resource centre, also in West Bromwich.
- 1.6 The Town Hall relocation for Sandwell Visually Impaired will entail some minor redecoration, whilst the relocation of Sandwell Deaf Community Association will involve minor works to improve the access to the rear of the building.
- 1.7 The works at the Town Hall have been undertaken and it is envisaged that the works at Stoney Lane, which are currently in the process of being planned will be completed by around April/May this year. The costs for Stoney Lane and the Town Hall are expected to be in the region of £40,000.
- 1.8 In both cases terms for occupation of the Town Hall and Stoney Lane have been agreed with SVI and SDCA respectively and as soon as the works are completed and the leases signed the organisations will be in a position to vacate Dagger Lane.
- 1.9 It is expected that the relocation of services from Dagger Lane to existing Council accommodation will generate property related revenue savings of circa £8,000 per annum.
- 1.10 The freehold disposal of Dagger Lane for residential use could generate a capital receipt in the region of £XXXX. This does not include any demolition costs, abnormal ground conditions and/or legal encumbrances. As part of the disposal consideration will be given to achieve best value for the site.

- 1.11 A planning statement has been undertaken and the preferred use would be for residential use. Any new housing would provide a revenue stream by way of Council Tax on an on-going basis.
- 1.12 Due to economies of scale the site is considered too small to accommodate a Council house build and in the circumstances it is recommended that it is declared surplus to requirements and offered for disposal on the open market.
- 1.13 It is also proposed that as part of any relocation both organisations, currently based at Dagger Lane; Sandwell Visually Impaired and Sandwell Deaf Community Association, will enter into formal leases under delegated authority.

Further details are attached for your information

2. **Recommendations**

That Cabinet be recommended to authorise the Council to:

- 2.1 declare Dagger Lane Resource Centre, West Bromwich indicated, for information purposes only, on Plan No. SAM/13860/001, surplus to the Council's requirements.
- 2.2 subject to the 2.1 above, and upon vacation of the premises, dispose of the freehold interest in Dagger Lane Resource Centre, Dagger Lane, West Bromwich on terms and conditions to be agreed by the Director - Regeneration and Economy.
- 2.3 enter into or execute under seal, if necessary, any other related documentation in connection with the disposal of the land referred to in recommendation 2.2 above, on terms and conditions to be agreed by the Director – Regeneration and Economy.

David Stevens
Director of Adult Social Care, Health and Wellbeing

Nick Bubalo
Director – Regeneration and Economy

Jan Britton
Chief Executive

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Interim Director of Resources

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3. Strategic Resource Implications

- 3.1 The Director – Regeneration & Economy is of the opinion that if the property was offered on the open market in its existing condition and based upon its existing use a capital receipt in the region of £XXXX may be achieved. This is, however, provided without reference to defects and/or structural issues.
- 3.2 The site is, however, in a predominantly residential location and given the location, if the property was demolished and a cleared site offered for residential development then the capital receipt could be higher. A sum in the region of £XXXX could be expected but this does not reflect any demolition costs, abnormal ground conditions and/or legal encumbrances.
- 3.3 Revenue savings from the relocation and subsequent disposal of Dagger Lane are expected to be in the region of £8,000 per annum.
- 3.4 This report is in line with Council's asset management strategy to make greater use of underutilised assets and to generate a more efficient and effective asset portfolio by disposing of underutilised and or uneconomic assets, wherever possible.

4. Legal and Statutory Implications

- 4.1 In the case of any disposals, the Council must comply with the power to dispose of land contained in Section 123 of the Local Government Act, 1972 which requires the disposal to be for the best consideration reasonably obtainable, which needs to be satisfied by a valuation agreed by the Director – Regeneration and the Economy.
- 4.2 Part of the site is not registered at the Land Registry, however it is shown as owned by the Council on the Terrier map and appears to be part of the Council's unregistered title, but should be within the registered title. An application to correct the title or submit a statutory declaration may be required.
- 4.3 The Cabinet report – Sandwell Deaf Community Association and Sandwell Visually Impaired Services (Key Decision Ref. No. SC02) – August 2016, made reference to the potential impact of changes to the service and potential relocation which included the European Convention on Human Rights and Public Sector Equality Duty.

5. **Implications for the Council's Scorecard Priorities**

- 5.1 People – The relocation of services from Dagger Lane to alternative accommodation will result in a better environment and greater outcomes for vulnerable service users.
- 5.2 Place – The disposal of the site will provide the opportunity to build some much-needed residential development.
- 5.3 Prospects – relocating to an alternative venue will provide greater prospects in a more comfortable environment; in addition to the prospects of building some much needed housing.
- 5.4 Performance – it is expected that relocating to a more suitable building(s) would improve the service offered to users.

6 **Background Details**

- 6.1 Sandwell Services for visually impaired and services for deaf people in Sandwell are provided by two independent, charitable organisations, Sandwell Visually Impaired (SVI) and Sandwell Deaf Community Association (SDCA).
- 6.2 The groups are currently based at Dagger Lane, West Bromwich, in what is a predominantly residential area. The building at Dagger Lane is no longer fit for purpose and the heating system has been condemned and is beyond reasonable repair.
- 6.3 Both services are currently negotiating on leases and/or projected works with a view to relocating to two existing council buildings.