

**Land and Asset Management
Committee**

26th January, 2017 at 5.15 pm
at the Sandwell Council House, Oldbury

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

Apology: Councillor Costigan.

1/17 **Minutes**

Resolved that the minutes of the meeting held on 15th
September, 2016 be confirmed as a correct record.

2/17 **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

3/17 **Capital Receipts 2016/17**

The Committee received details of the total capital receipt achieved
to date in the 2016/17 financial year 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

4/17

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

Authority was sought to declare Dagger Lane Resource Centre, Dagger Lane, West Bromwich surplus to the requirements of the Council and to dispose of the freehold interest.

Services for visually impaired and deaf people in Sandwell were provided by two independent charitable organisations, Sandwell Visually Impaired and Sandwell Deaf Community Association. The groups were based at Dagger Lane, West Bromwich in a predominantly residential area of the borough.

The centre was currently not fit for purpose and required significant investment in the short term. There were also significant issues that required immediate remedial works around the flat roof which was in poor condition, along with inherent problems around the rendered walls and damp penetration. The deferred maintenance estimate did not include any allowance for asbestos removal, which it was understood was present within the building.

The services would be 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.

The Town Hall relocation for Sandwell Visually Impaired entailed minor redecoration, whilst the relocation of Sandwell Deaf Community Association would involve minor works to improve access to the rear of the building.

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The works at the Town Hall had been undertaken and it was envisaged that the works at Stoney Lane would be completed by April/May 2017. The costs for both buildings were expected to be in the region of £40,000 in total.

In both cases, terms for occupation had been agreed with both organisations and, as soon as the works were complete and the leases signed, the organisations would be in a position to vacate Dagger Lane.

It was expected that the relocation of services from Dagger Lane to existing Council accommodation would generate property related revenue savings of £8,000 per annum.

Due to economies of scale, the site was considered too small to accommodate a Council house build and in the circumstances, it was recommended that it was declared surplus to requirements and offered for disposal on the open market.

Members expressed concern that the valuation did not take into account the demolition costs and wanted assurance that the maximum value for the site was generated. Officers confirmed that the site was in a good location and were satisfied that the market would dictate the value. As part of the disposal process, consideration would be given to potential uses of the premises to achieve maximum value for the site.

Officers also confirmed that if the sale was dealt with in-house, the sealed offer process currently used would ensure best consideration was obtained and additionally alleviate any question of impropriety. All sealed offers were opened at the same time and the highest offer was accepted so long as it met the basis upon which the property was being sold. The current estimate was likely to increase as additional information about the site would be available at the point of sale and if the site was offered for sale at auction, the Council's appointed auctioneers would recommend a guide price for the site.

A planning statement had been undertaken and the preferred use would be residential. Any new housing would provide a revenue stream by way of Council Tax on an on-going basis.

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As part of any relocation, both organisations, currently based at Dagger Lane, would enter into formal leases under delegated authority. Members sought reassurance that the building would only be disposed of once the leases for the two organisations had been signed.

Resolved to recommend to Cabinet:-

- (1) that Dagger Lane Resource Centre, West Bromwich as indicated, for information purposes only, on Plan No. SAM/13860/001, be declared surplus to the Council's requirements;
- (2) that, in connection with (1) above, and upon completion of leases accommodating relocation of Sandwell Visually Impaired and Sandwell Deaf Community Association, the freehold interest in Dagger Lane Resource Centre, Dagger Lane, West Bromwich be disposed of, on terms and conditions to be agreed by the Director - Regeneration and Economy;
- (3) to enter into or execute under seal, if necessary, any other related documentation in connection with the disposal of the land referred to in (1) above, on terms and conditions to be agreed by the Director – Regeneration and Economy.

5/17

Acquisition of Land and Premises at Woods Lane, Cradley Heath to enable residential development (Key Decision Ref. No. SMBC1659)

Approval was sought to acquire land and premises at Woods Lane, Cradley Heath as part of enabling the proposed residential development of Woods Lane Industrial Estate, Cradley Heath.

Woods Lane Industrial Estate was allocated in the Sandwell Site Allocations and Delivery Development Plan 2012 for a change of use from industrial to residential. The Council had been awarded £5.14m of Local Growth Funding from the Black Country Local Enterprise Partnership to enable residential redevelopment and deliver circa 350 new homes across the entire Woods Lane site by 2021.

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An opportunity had arisen to enable the Council to acquire land and premises required for inclusion in the proposed residential redevelopment of the Woods Lane Industrial Estate. The nature of the business operations undertaken at the premises presented a risk to the Woods Lane Industrial site coming forward for residential redevelopment due to the level of noise generated. A residential development may not obtain full planning consent with this particular use remaining in situ. The premises had therefore been identified for potential acquisition as part of the Woods Lane project.

The occupier and owner of the premises would begin measures to relocate their operations to an identified alternative location upon confirmation of the Council's agreement to acquire. Negotiations with the owner commenced in August 2016, after they notified the Council that they had identified a suitable site for their operations to relocate to. An independent Chartered Surveyor was appointed to undertake informal negotiations to determine the sum required by the owner and whether it was feasible for the Council to acquire, by agreement.

A potential purchase price and a further maximum sum for disbursements had been agreed, subject to member approval. The purchase cost and disbursements would be funded by the capital grant provided by the Local Growth Fund. However, the provisions of the grant funding agreement stated that if the site was later disposed of, the proceeds of the disposal would have to be held in trust for the benefit of the Accountable Body (Walsall Council, who were administrators of the grant).

Following completion of the purchase, the Council would assume responsibility for management of the site and funding would be set aside for on-going management and business rates costs. This included works to secure the site and to address any issues relating to the presence of asbestos.

The asbestos survey and asbestos removal works would need to be undertaken as soon as the premises became vacant to minimise the health and safety risk to the public and also to enable the removal of asbestos prior to any further contamination.

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Resolved to recommend to Cabinet:-

- (1) that, in consultation with the Interim Director – Resources, the Council acquire the freehold interest in land and premises at Woods Lane, Cradley Heath, as shown on Plan No. SAM/54440/003 to enable the residential redevelopment of the Woods Lane Industrial Estate, on terms and conditions to be agreed by the Director – Regeneration and Economy;
- (2) that Local Growth Funding be utilised to complete the acquisition of land and premises referred to in (1) above;
- (3) that, following acquisition, the Director – Regeneration and Economy assumes management responsibility for the premises pending subsequent sale on the open market and additionally identifies suitable funding to meet any security/on-going maintenance costs, undertake surveys and, if required, removal of asbestos.

Councillor Moore declared a registerable interest as he was a member of the Black Country Local Enterprise Partnership Board.

(Meeting ended at 5.45 pm)

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