



## REPORT TO LAND AND ASSET MANAGEMENT COMMITTEE

**14 September 2017**

Exempt information relating to terms proposed for the disposal / acquisition of property or the supply of goods or services and disclosure would be likely to prejudice the Council.

The information contained in this report is strictly confidential and in accordance with the appropriate Codes of Conduct, must not be disclosed to unauthorised persons

<b>Subject:</b>	Land off Queslade Close, Great Barr
<b>Director:</b>	Chief Executive – Jan Britton Executive Director – Resources – Darren Carter
<b>Contribution towards Vision 2030:</b> 	
<b>Key Decision:</b>	Yes
<b>Forward Plan (28 day notice) Reference:</b>	SMBC16141
<b>Cabinet Member Approval and Date:</b>	Councillor Moore 6 September 2017
<b>Director Approval:</b>	31 August 2017
<b>Ward Councillor (s) Consulted (if applicable):</b>	None
<b>Scrutiny Consultation Considered?</b>	Not referred to Scrutiny for consideration
<b>Contact Officer(s):</b>	Kerry Jones Senior Property Officer <a href="mailto:Kerry_dawn_jones@sandwell.gov.uk">Kerry_dawn_jones@sandwell.gov.uk</a>

## **DECISION RECOMMENDATIONS**

### **That Cabinet be recommended to:**

- 1 declare the site of the former Queslade House, Queslade Close, Great Barr surplus to Council requirements;
- 2 subject to 1 above, authorise the Director – Monitoring Officer to dispose of the freehold interest in the land shown for identification purposes only edged and hatched black on Plan No SAM/16120/002 attached to a consortium of Doctors for development with a health facility and otherwise on terms and conditions to be agreed by the Executive Director – Neighbourhoods;
- 3 subject to 2 above, authorise the Director – Monitoring Officer to 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 above on terms and conditions to be agreed by the Executive Director – Neighbourhoods.

### **1 PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to seek authority to dispose of the freehold interest in the site of the former Queslade House, Queslade Close, Great Barr for development with health care facilities.

### **2 IMPLICATION FOR THE COUNCIL'S AMBITION**

- 2.1 The proposed development of the site will bring it back into beneficial use providing, at the same time, local people with employment opportunities and improving the health and wellbeing of residents by having access to modern medical facilities.

### **3 BACKGROUND AND MAIN CONSIDERATIONS**

- 3.1 A request has been received from a consortium of local general practitioners to purchase and subsequently develop, Council owned land off Queslade Close as a health centre which is proposed to include a dispensing pharmacy.

- 3.2 Consultation with the Clinical Commission Group (CCG) confirmed that there is an on-going need for a new surgery in this area but that there is currently no privately owned site in the locality which could accommodate the development proposal. In these circumstances in order to meet the requirements for a new health centre informal discussions were held with the doctors regarding potential development of the Council's land for health related purposes.
- 3.3 The doctors submitted a business case to the CCG Board for development of a health centre and the Board subsequently gave its approval to the proposed scheme in March 2017. Negotiations for sale of the site have been undertaken with the doctors' agent and proposed developer Medcentres Plc subject to any necessary member approval.
- 3.4 Heads of terms for disposal of the site have, in principle, been agreed including a sale price of £XXXXXX based on an unrestricted residential land value.
- 3.5 To ensure that the land is developed with a health care facility it is intended that the sale, if approved by members, will proceed by way of a Development Agreement. In these circumstances the doctors will be required to obtain planning permission for development of the site as a health care facility and complete the development of the site under licence from the Council within an agreed timeframe. Additionally 10% of the purchase price will be paid to the Council at this time.
- 3.6 If planning permission is obtained for anything other than a health care facility then the Council will retain the right to rescind the Agreement and retain any deposit paid.
- 3.7 The balance of the purchase monies and transfer of the freehold will take place upon practical completion of the new health centre. Completion of the development is likely to take up to 2 years.
- 3.8 If the sale is not progressed on the basis of a Development Agreement then there will be no mechanism in place to ensure the site is developed with a health centre. This is because the sale price agreed reflects the site's potential for residential development.

3.9 Where a direct allocation of land is progressed, it is usual practice to include a restrictive covenant in the sale documentation to ensure that only the development justifying the allocation occurs. In this particular case, however, the doctors' funders have stated that they will not lend money against land where a restriction on use applies. This is because market value is being paid for the land based on its potential residential use.

3.10 The grant therefore of a Development Agreement will ensure the health centre is built without applying a restrictive covenant regarding use on the land. At some future date if the surgery is no longer in use as a medical centre, the doctors will be able to dispose of the site without restriction. This will not be an issue for the Council since full market value is being obtained for the development site at today's values.

#### **4 THE CURRENT POSITION**

4.1 The land in question is currently vacant and unused.

#### **5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)**

5.1 There has been no consultation with customers and/or stakeholders.

#### **6 ALTERNATIVE OPTIONS**

6.1 The Council could develop the site with new Council houses and/or dispose of the site on the open market for residential purposes.

6.2 These options are still available if members do not consider sale of the land for development with a health centre is appropriate.

#### **7 STRATEGIC RESOURCE IMPLICATIONS**

7.1 Thomas Lister & Co acting on behalf of the Council has agreed a sale price of £XXXXXX for the land based on the company's opinion of its value if offered for sale on the open market for residential purposes.

- 7.2 The Director – Regeneration & Planning is of the opinion that the sum agreed by Thomas Lister represents market value for the land given its residential value and the fact that the site will be developed with a health care facility.
- 7.3 The Council will receive 10% of the agreed purchase price upon the grant of the Development Agreement. The balance of the purchase monies will be received upon practical completion of the proposed health centre.

## **8 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 8.1 To meet the requirements of the Land and Property Disposal protocol approved by Council in October 2016, a valuation of the land and subsequent informal negotiations for its disposal have been undertaken by an external firm of surveyors namely, Thomas Lister & Co. Thomas Lister were appointed to act on the Council's behalf following a competitive procurement process.
- 8.2 The Council is entitled to dispose of property, but must comply with the duty contained in Section 123 of the Local Government Act, 1972 which requires the disposal to be for the best consideration reasonably obtainable.

## **9 EQUALITY IMPACT ASSESSMENT**

- 9.1 It has not been necessary to undertake an equality impact assessment as the report is merely seeking to authority to dispose of a parcel of land.

## **10 DATA PROTECTION IMPACT ASSESSMENT**

- 10.1 There are no specific data protection measures to consider, all data relating to the matter is maintained in accordance with the Data Protection measures previously implemented by the Council.

## **11 CRIME AND DISORDER AND RISK ASSESSMENT**

- 11.1 Crime and disorder implications will be considered as part of the planning process for development of the land.

## **12 SUSTAINABILITY OF PROPOSALS**

- 12.1 The sale will be progressed in accordance with the Law Society's general conditions.

## **13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)**

- 13.1 The proposals outlined in this report will provided for a much needed health centre in the locality.

## **14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND**

- 14.1 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.

## **15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

- 15.1 The main reasons for seeking to dispose of the land in question is to ensure the land is brought back into an economic beneficial use within the Borough. Moreover the recommendations ensure that a much needed health centre is provided for the residents of the Borough and will generate a capital receipt which can be used to help fund the Council's capital programme.

## **16 BACKGROUND PAPERS**

## **17 APPENDICES**

None

**Jan Britton**  
**Chief Executive**

**Darren Carter**  
**Executive Director - Resources**