

**Land and Asset Management
Committee**

**14th September, 2017 at 5.15 pm
at the Sandwell Council House, Oldbury**

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

10/17 Declaration of Interest

Councillor P Hughes declared an interest in Minute No. 16/17 below (Land at Wilson Road, Smethwick) as he was on the Board of Directors of Sandwell Land and Property Limited. Councillor P Hughes took no part in the discussion.

11/17 Minutes

Resolved that the minutes of the meeting held on 15th June, 2017 be confirmed as a correct record.

12/17 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) and terms proposed for the disposal/acquisition of property or the supply of goods or services and disclosure would be likely to prejudice the Council.

Business Matter

13/17 Former Car Park – Haden Road, Cradley Heath

Following a review of the provision of public pay and display car parks throughout the borough, the Cabinet, at its meeting held on 19th August 2015, declared surplus, and subsequently authorised disposal of, the freehold interest in a number of pay and display car parks which were no longer considered financially viable (see Minute No. 144/15 refers), including the car park off Haden Road, Cradley Heath.

Following closure of the car park in Haden Road, objections had been received from the owner of the Regis Banqueting Suite opposite the site that the Council's actions would have a detrimental impact upon his business and cause parking issues.

Whilst the car park was under-utilised during the day, it may be fully utilised after cessation of parking charges by patrons of The Regis Banqueting Suite.

It was considered that the on-going maintenance costs associated with the car park outweighed the income generated from its use and it was therefore not feasible for the Council to re-open it as a pay and display car park unless it changed its existing policy for parking charges by making users pay after 6.00 pm. However, the Council may, by closing the car park on a permanent basis, inadvertently cause detriment to one of the local businesses and subsequent employers in the borough.

Discussions had been held with the owner regarding the possibility of leasing the car park for use by patrons of The Regis Banqueting Suite.

It was not considered that a freehold sale should be affected since there was no justification to allocate the site directly to the owner, as he was not an adjoining land owner. Additionally, the Council's land was suitable for development in isolation. If, at any time in the future, The Regis ceased to operate the Council would wish to maximise the capital receipt generated from the sale and provide evidence that it had met the requirements of Section 123 of the Local Government Act 1972 in doing so.

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The grant of any lease to the owner would ensure that use of the car park was directly linked to use by patrons of The Regis Banqueting Suite only. The lease would absolve the Council of any repair and maintenance liabilities and a provision would be included stating that the lease would cease to exist if The Regis ceased to trade or if The Regis was utilised for any other purpose other than its current use. In addition, there would be no intention for the owner (or any future owner of The Regis) to have automatic right to a further lease upon expiry of the proposed lease term of 25 years.

The grant of a lease was usually dealt with under powers delegated to the Director in the scheme of delegation but in this instance, as members had already authorised disposal of the freehold interest in the car park on the open market, it was necessary to seek authority not to proceed with the previous approval.

Resolved to recommend to Cabinet:-

- (1) to not proceed with Minute No 144/15 of Cabinet at its meeting on 19th August 2015, in so far as it relates to disposal of the freehold interest in the former pay and display car park off Haden Road, Cradley Heath;
- (2) subject to (1) above, authorise the Director – Monitoring Officer to grant a 25 year lease of the car park, shown for identification purposes only edged black on Plan No SAM/21440/003, to the owner of The Regis Banqueting Suite, on terms and conditions to be agreed by the Director – Regeneration and Planning; and
- (3) subject to (1) above, authorise the Director – Monitoring Officer to enter into or execute under seal if necessary, any other related documentation in connection with the grant of the lease of the land referred to in (2) above, on terms and conditions to be agreed by the Director – Regeneration and Planning.

Key Decisions

14/17 **Land off Queslade Close, Great Barr (Key Decision Ref. No. SMBC/16161)**

A request had been received from a consortium of local general practitioners to purchase, and subsequently develop, Council owned land off Queslade Close, Great Barr, as a health centre.

Whilst consultation with the Clinical Commissioning Group had confirmed there was an on-going need for a new surgery in this area there was 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.

The doctors submitted a business case to the Clinical Commissioning Group 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 had been undertaken with the doctors' agent and proposed developer, subject to any necessary member approval.

Heads of terms for disposal of the site had, in principle, been agreed including a sale price based on an unrestricted residential land value.

To ensure that the land was developed with a health care facility, it was proposed that the sale would proceed by way of a Development Agreement whereby the doctors would 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. Ten percent of the purchase price would be paid to the Council at this time.

If planning permission was obtained for anything other than a health care facility, the Council would retain the right to rescind the Agreement and retain any deposit paid.

Completion of the development was likely to take up to two years.

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If the sale was not progressed on the basis of a Development Agreement, there would be no mechanism in place to ensure the site was developed with a health centre as the sale price agreed reflected the site's potential for residential development.

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

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

Resolved to recommend to Cabinet:-

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

Councillor Taylor declared a personal interest in the item as the consortium of doctors included her family GP.

15/17 32 Longbank Road and 19 Ashleigh Road, Tividale (Key Decision Ref. No. SMBC/16151)

Authority was sought to demolish 32 Longbank Road and 19 Ashleigh Road, Tividale and to investigate the possibility of developing the resultant cleared site with new Council homes or dispose of the land on the open market.

The two vacant adjoining semi-detached houses were located at the junction of the two roads. The properties were let as part of the housing stock, however, as a result of adverse ground conditions became structurally unsound. The properties had been vacant and unlettable for a considerable period of time.

The building consisted of two semi-detached houses that were situated at the corner of Longbank Road, and Ashleigh Road. The building construction was of traditional masonry, with a tiled pitched roof and suspended timber first and ground floor.

A site investigation confirmed that the properties were affected by severe subsidence.

Members enquired about ownership of the adjacent land and why this area was undeveloped.

The Committee requested that officers undertook further investigation to identify ownership of the adjacent land and to report back to the relevant Cabinet Members. The Committee also requested that the decision in relation to demolition and, if appropriate, subsequent potential redevelopment of the cleared site and adjoining cleared site with new Council houses be referred to the Cabinet Member for Housing for decision.

If, within a period of 12 months from the date of this Committee, the properties remained vacant, the resultant cleared sites were considered unsuitable for development with Council houses and/or the sites remain undeveloped, a further report be submitted to the Land and Asset Management Committee outlining the situation.

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Resolved:-

- (1) that Executive Director – Neighbourhoods advise the Cabinet Member for Regeneration and Economic Investment and the Cabinet Member for Housing whether or not the land adjoining 32 Longbank Road and 19 Ashleigh Road, Tividale, as shown on Plan No. SAM/30140/002 is in Council ownership;
- (2) that the Director – Housing and Communities submit a report on the available options for the properties known as 32 Longbank Road and 19 Ashleigh Road, Tividale, as shown on Plan No SAM/30140/002, to include, if appropriate the land referred to in (1) above to the Cabinet Member for Housing for a decision;
- (3) that, in the event that the land and/or properties referred to in (1) and (2) above are not required for future Council use, the Executive Director – Neighbourhoods submit a further report to the Land and Asset Management Committee;
- (4) that, in the event that 32 Longbank Rd and 19 Ashleigh Rd remain vacant and/or the resultant cleared site remains undeveloped within a period of 12 months the Director – Housing and Communities submit a further report to the Land and Asset Management Committee confirming the situation.

16/17

Land at Wilson Road, Smethwick – Collegiate Academy Trust (Key Decision Ref. No. SMBC02/10/2017)

Approval was sought to transfer the freehold interest of Council-owned land at Wilson Road, Smethwick to Sandwell Land and Property Limited, with the subsequent grant of a lease back to the Council for use of the land for educational purposes. Authority was also sought to grant an under-lease of the land co-terminous with the existing under-lease granted to the Collegiate Academy Trust for land at Waterloo Road, Smethwick.

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The Trust would use the land to support both the expansion of Shireland Collegiate Academy to provide new secondary school places, which Cabinet had agreed to fund through the Authority's Schools Capital Programme, and the Trust's development of a proposed new primary free school, funded directly by the Education and Skills Funding Agency.

The Trust and the Funding Agency had expressed an interest in the Trust acquiring the land to support school development.

The Council was the freehold owner of land off Wilson Road acquired under Compulsory Purchase Powers and retained by the Council for the potential expansion of Hadley Stadium. This proposal was, however, no longer to be pursued and the Trust wished to utilise it as part of its expansion proposals for the school.

To ensure a consistent approach with regard to land utilised for educational purposes it was proposed to transfer the freehold interest in the site to Sandwell Land and Property Limited with a lease back to the Council to enable the grant of an under-lease to the Trust.

The Trust already held an under-lease from the Council, dated 19th August 2016, and it was proposed to grant an extension to the under-lease to incorporate the land at Wilson Road so the term ran concurrently with the original under-lease term.

Resolved to recommend to Cabinet:-

- (1) authorise the Director – Monitoring to dispose of the freehold interest in land at Wilson Road, Smethwick, as indicated edged bold on Plan No. SAM/53380/001, to Sandwell Land and Property Limited for a nominal sum and otherwise on terms and conditions to be agreed by the Director – Regeneration and Planning;
- (2) subject to (1) above, authorise the Director – Monitoring Officer to acquire a leasehold interest in the site from Sandwell Land and Property Limited at a nominal annual rent and otherwise on terms and conditions to be agreed by the Director – Regeneration and Planning;

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(3) subject to (1) and (2) above, authorise the Director – Monitoring to grant an under-lease of the site to Collegiate Academy Trust on the principles of, and co-terminus with, the Trust’s existing under-lease in respect of land at Waterloo Road, Smethwick including payment of a nominal annual rental and otherwise on terms and conditions to be agreed by the Director – Regeneration and Planning.

(Meeting ended at 5.45 pm)

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