

REPORT LAND AND ASSET MANAGEMENT COMMITTEE

14 June 2018

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

Subject:	Land off Crocketts Lane, Smethwick
Director:	Executive Director – Neighbourhoods – Dr Alison Knight Executive Director – Resources – Darren Carter Director - Monitoring Officer – Surjit Tour
Contribution towards Vision 2030:	
Key Decision:	Yes
Forward Plan (28 day notice) Reference:	SMBC15/06/2018
Director Approval:	Dr Alison Knight Darren Carter
Reason for Urgency:	Urgency provisions do not apply
Exempt Information Ref:	Exemption provisions do not apply
Ward Councillor (s) Consulted (if applicable):	Ward councillors have not been consulted
Scrutiny Consultation Considered?	Scrutiny have not been consulted
Contact Officer(s):	Kerry Jones – Senior Property Officer kerry_dawn_jones@sandwell.gov.uk

DECISION RECOMMENDATIONS

That Cabinet be recommended to:

1. declare approximately 898 m² of land off Crocketts Lane, Smethwick shown for identification purposes only edged black on Plan No SAM/13240/020 surplus to the requirements of the Council;
2. subject to 1 above, authorise the Director – Monitoring Officer to dispose of the freehold interest in the site to Bassi Builders Limited to accommodate a comprehensive redevelopment and otherwise on terms and conditions to be agreed by the Director – Regeneration & Growth;
3. subject to 1 above and in the event that disposal of land referred to in 2 does not, for whatever reason, proceed to Bassi Builders Limited, authorise the Director – Monitoring Officer to dispose of the freehold interest in the land on the open market and otherwise on terms and conditions agreed by the Director – Regeneration and Growth;
4. 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 disposal of the land referred to in 2 and/or 3 above on terms and conditions to be agreed by the Director – Regeneration and Growth.

1 PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to seek authority to dispose of the freehold interest in Council owned land off Crocketts Lane, Smethwick

2 IMPLICATIONS FOR SANDWELL'S VISION

- 2.1 The proposals in this report contribute to achieving the Council's ambitions as follows:

Place Ambition 7 – We now have many new homes to meet a full range of housing needs in attractive neighbourhoods and close to key transport routes.

- The redevelopment of the site with modern residential accommodation will improve the immediate area, public realm and street scene by providing much needed housing.

3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 A request has been received from XXXXXX of Bassi Builders Limited to purchase the freehold interest in a parcel of land Council owned land off Crocketts Lane, Smethwick.
- 3.2 The land, shown edged black on Plan No SAM/13240/020 has previously been used, under Licence, by West Midlands Police Authority as a car park for officers operating from Piddock Road Police Station. The station has, however, now closed and the licence has since been terminated leaving the land vacant and unused.
- 3.3 Bassi Builders Ltd is the owner of land on the corner of Piddock Road and Crocketts Lane which immediately abuts the land in the Council's ownership. The Company's land is shown, for identification purposes only, hatched on the plan attached.
- 3.4 The Company has expressed a desire to acquire the Council's land to accommodate a comprehensive redevelopment of both sites.
- 3.5 Although, as a general principle, the Council would market test prior to disposal of its surplus land and property assets there are circumstances in which it is in the best interests of the Council to secure a disposal to an adjoining third party because of other benefits.
- 3.6 In this particular case, a sale direct to Bassi Builders Limited as the adjoining land owner would not only release a synergistic value as a result of the company's special interest in the land but also accommodate a comprehensive redevelopment of the lands.
- 3.7 Consultation with Planners has confirmed that both sites can be developed in isolation with the Council's land potentially accommodating three 2/3 bed properties or alternatively two 4/5 dwellings. Bassi Builders Ltd land could potentially accommodate 8 properties.
- 3.8 Merging both sites will not increase the density of the development but it would allow for a scheme with access from Piddock Road only. Prohibiting access from Crocketts lane would be preferable from both a highway and planning perspective. This is because access to the Council's land is on a bend opposite to another site also being residentially redeveloped.
- 3.9 Informal negotiations have been undertaken with Bassi Builders Ltd and heads of terms including a sale price of £XXXXX have been agreed subject to member approval and obtaining the requisite planning consent.

- 3.10 To ensure a comprehensive development of both sites is undertaken it also intended, if approval for sale of the land to Bassi Builders Ltd is granted, that a restriction will be applied to the sale to the effect that future development of the Council's land must be residential in nature and must not be developed out otherwise in conjunction with the adjoining land. This is to ensure that the two sites are developed together rather than independently.

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 dispose of its site on the open market but in doing so, not only would the opportunity to release any synergistic value be lost but it may result in the site being developed independently of the vacant site adjoining. This would create an inconsistent development and potential issues from a highway's perspective as there would need to be an access off Crocketts Lane.

7 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 To accord to the Land Disposal Protocol, Thomas Lister & Co, were appointed to undertake valuations of the Council's land based on the site being offered for disposal on the open market and as a private treaty sale to Bassi Builders Ltd.
- 7.2 Thomas Lister and Co advised that a sale direct to Bassi Builders could achieve a capital receipt between £XXXXX and £XXXXX as opposed to a valuation of £XXXXXX for disposal of the Council's land on the open market.
- 7.3 In subsequent informal negotiations with Bassi Builders Ltd, Thomas Lister acting on behalf of the Council has agreed a sale price of £XXXXXX.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 To meet the requirements of the Land and Property Disposal protocol approved by the 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. Thomas Lister & Co, 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 duty contained in Section 123 of the Local Government Act, 1972 which requires the disposal to be for the best consideration reasonably obtainable.
- 8.3 The Finance and Resources Committee at its meeting on 22 June 1999 agreed the principles of when it was appropriate to consider a private treaty sale. Allocation of the land to Bassi Builders Limited meets the circumstances where it is appropriate not to market test but to consider a direct allocation (Minute No 3/99) refers.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 It has not been necessary to undertake an equality impact assessment as the report is merely seeking 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 Development of the site will create much needed housing.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

- 14.1 This report is in line with Council's asset management strategy to make a 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 it is brought back into economic beneficial use. Sale of the land in question will generate a capital receipt which can be used to help fund the Council's capital programme.

15.2 Direct allocation of the land to Bassi Builders Limited will release a synergistic value and ensure continuity of development more in keeping with the surrounding area.

16 BACKGROUND PAPERS

File L/3262

17 APPENDICES:

None

Dr Alison Knight
Executive Director – Neighbourhoods

Darren Carter
Executive Director – Resources

Surjit Tour
Director – Monitoring Officer