


REPORT TO LAND AND ASSET MANAGEMENT COMMITTEE

24 January 2019

Exempt relating to the financial or business affairs of any particular person (including the authority holding that information).

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 St Paul's Road & Chatwin Street, Smethwick
Director:	Director – Regeneration & Growth – Amy Harhoff Executive Director – Resources – Darren Carter Director of Law and Governance and Monitoring Officer – Surjit Tour
Contribution towards Vision 2030:	
Key Decision:	Yes
Forward Plan (28 day notice) Reference:	SMBC 06/01/2019
Director Approval:	Director – Regeneration & Growth – Amy Harhoff Executive Director – Resources – Darren Carter

Reason for Urgency:	Not applicable
Ward Councillor (s) Consulted (if applicable):	None
Scrutiny Consultation Considered?	Scrutiny have not been consulted.
Contact Officer(s):	George Singh Gurcha Surveyor george_gurcha@sandwell.gov.uk

DECISION RECOMMENDATIONS

That Cabinet be recommended to:

- 1 declare the site off St Paul's Road and Chatwin Street, Smethwick surplus to Council requirements;
- 2 subject to 1 above and to timescales for exchange of contract being adhered to authorise the Director of Law and Governance and Monitoring Officer to dispose of the freehold interest in the land shown for identification purposes only as edged red on Plan No SAM/45760/007 attached to XXXX XXXXXXXXX for development with a health facility and, subject to planning consent, an element of residential use and otherwise on terms and conditions to be agreed by the Director - Regeneration and Growth;
- 3 subject to 2 above authorise the Director of Law and Governance and 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 Director – Regeneration and Growth;
- 4 if, the timescale for exchange of contracts is not adhered to or if the sale does not for any other reason proceed as outlined in 2 above the Director of Law and Governance and Monitoring Officer be authorised to dispose of the freehold interest in the site on the open market for the best price and otherwise on terms and conditions to be agreed by the Director – Regeneration & Growth.

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 off St Paul's Road and Chatwin Street Smethwick for development with health care facilities and, if appropriate, an element of residential use.

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 On 21 August 2013 the Asset Management and Land Cabinet Committee gave approval to dispose of the freehold interest in land off St Pauls Rd/Chatwin St, Smethwick for a health centre subject to terms and conditions being agreed within a period of 12 months.
- 3.2 Officers subsequently discussed terms for disposal but the purchasers were, at that time, not in a position to progress the development and the offer to sell was subsequently withdrawn.
- 3.3 Following representation by the XXXX XXXX to local ward members and John Spellar MP officers were instructed to seek the views of the Clinical Commission Group (CCG) on the necessity for a new practice in the area and if appropriate, re-engage with the doctor's agent to see if terms could be agreed.
- 3.4 Consultation by officers with the CCG confirmed that there is an on-going need for a new surgery in this area but that there is currently no privately owned sites in the locality which could accommodate the development proposal. In these circumstances and 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.

- 3.5 The XXXXX 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 July 2017. Negotiations for sale of the site have been undertaken with the doctor's agent, subject to any necessary member approval.
- 3.6 To accord with the Council's Land Disposal Protocol an external agent was appointed to negotiate the terms of disposal with a view to maximising the capital receipt achievable. XXXX XXXXXX XXX was the successful agent appointed following a procurement process.
- 3.7 Discussions held with planning officers indicated that the site was suitable for a residential use and this therefore is the basis upon which XXXXX XXXXX provided valuations and undertook informal negotiations. The intention, however, was to restrict use of the site to a health facility as this is the rationale for allocating the site to XX XXXXXX XXXXXXXX.
- 3.8 XXXX XXXX were of the opinion that if the site was offered to the open market for a purely residential development scheme then a capital receipt in the region of XXXX XXXX could be achieved.
- 3.9 The agent on behalf of the XXXXX, however, expressed a desire to build the health care facility with an element of residential use above and on this basis a figure of XXXX XXXX subject to funding and planning approval, has been agreed. Use of the site for a health facility only would achieve XXXX XXXX.
- 3.10 To ensure that the land is developed with a health care provision it is intended that the sale, if approved by members, will proceed by way of a Development Agreement and/or a restriction on use.
- 3.11 If planning permission is obtained for anything other than a health care facility with, if appropriate, an element of residential use then the Council will retain the right to rescind the Agreement and retain any deposit paid.
- 3.12 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 24 months from the date planning consent is issued.

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 or other uses associated with the district centre location.
- 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 XXXXX XXXXXX acting on behalf of the Council has agreed a sale price of XXXX XXXX for the land based on the company's intention to include an element of residential use. This is, however, subject to planning consent being obtained for the health facility with residential above. If the site is developed purely for a health facility then a price of XXXX XXXX has been agreed.
- 7.2 The Director – Regeneration & Growth is of the opinion that the sums agreed by XXXX XXXX represents market value for the land given its residential value of XXXX XXXX.

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, XXXXX XXXXX. XXXXX XXXXX whom 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 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 provide 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. Additionally, by allowing an element of residential use the Council will exceed the anticipated market value of the site and provide much needed new homes.

16 BACKGROUND PAPERS

17 APPENDICES

None

Amy Harhoff
Director – Regeneration & Growth

Darren Carter
Executive Director - Resources