

# Report to Cabinet

**16 November 2022**

<b>Subject:</b>	Former Car Park, Lower High Street, Cradley Heath
<b>Cabinet Member:</b>	Cabinet Member for Regeneration and Growth, Cllr Hughes
<b>Director:</b>	Director Regeneration and Growth Tony McGovern
<b>Key Decision:</b>	Yes
<b>Contact Officer:</b>	Stefan Hemming <a href="mailto:Stefan_hemming@sandwell.gov.uk">Stefan_hemming@sandwell.gov.uk</a>  Jenna Langford <a href="mailto:Jenna_langford@sandwell.gov.uk">Jenna_langford@sandwell.gov.uk</a>

## 1 RECOMMENDATIONS



- 1.1 That approval be given to authorise the Director – Law and Governance and Monitoring Officer to dispose of the freehold interest in approximately 0.2 hectares (0.5 acres) of land situated on the south side of Lower High Street, Cradley Heath, shown for identification purposes edged black on Plan No SAM/30500/003 attached, to Sandwell College, for the purpose of constructing a Satellite Education, Training and Skills Hub, for the sum of £1 (one pound), on terms and conditions to be agreed by the Director - Regeneration and Growth;
- 1.2 Authorise the Director – 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 site on terms and conditions to be agreed by the Director - Regeneration and Growth.





## 2 REASONS FOR RECOMMENDATIONS

- 2.1 To enable the freehold transfer of council-owned land at Lower High Street, Cradley Heath, formerly in use as a public car park, to Sandwell College, for the sum of £1 (one pound), in order to facilitate the development of a Satellite Education Hub, financed through a £9m grant from the Government's Towns Fund.
- 2.2 In accordance with Sandwell's Planning Obligations Supplementary Planning Document (Appendix 2: Abnormal Costs) the council's Geotechnical specialist has produced a joint statement with Emmaus Consulting on behalf of Sandwell College, agreeing that the abnormal costs attributable to the site are in the sum of £526,151.
- 2.3 The cost to remedy the site for the proposed scheme is in excess of the agreed land use value and therefore to bring forward the development, the recommendation is to dispose of the site for £1.

## 3 How does this deliver objectives of the Corporate Plan?

	<p><i>A strong and inclusive economy.</i></p> <p>Development by Sandwell College of the Satellite Education Hub on land at Lower High Street, Cradley Heath will help to build an inclusive economy and support community wealth-building in Sandwell. It will achieve this by enabling and promoting vital upskilling of school leavers, NEETs, post-Covid adult returners and re-trainees, as well as harder-to-reach individuals with specific education needs. Access to better educational skills and targeted training courses that meet the needs of local employers will assist residents to improve core skills and personal marketability, while increasing their ability to compete for high-quality and well-paid local employment opportunities.</p>
	<p><i>Best start in life for children and young people.</i></p> <p>Education and skills infrastructure are crucial to sustaining the needs of a growing population. The council's recently-adopted Regeneration Strategy, Pipeline and Economic Recovery</p>



	<p>Plan prioritises new education and skills facilities from primary to higher level skills.</p> <p>These regeneration plans look to increase existing skills provision and enhance learning facilities, especially in key sectors, raising skills levels to match local employment opportunities. This will pave the way to a more prosperous future, preparing residents for future industries, and, in time, bringing good quality and well-paying jobs to the borough.</p> <p>The development of the Satellite Education Hub on this site will be a vital catalyst in realising these key aims; it responds to evidence of poor educational attainment and low levels of aspiration amongst young people in Rowley Regis.</p>
	<p><i>Strong resilient communities.</i></p> <p>Creating and sustaining strong and resilient communities in Sandwell means ensuring all citizens can reach their full potential, by developing education and skills and so enabling access to well-paid local jobs. Such communities also need access to thriving and attractive local centres that can meet a range of needs. The development of the Satellite Education Hub in Lower High Street, just 200 metres from Cradley Heath centre, will help kickstart a much-needed revival of this established town and can act as a catalyst to stimulate investment in other vacant or underused sites nearby.</p>
	<p><i>A connected and accessible Sandwell.</i></p> <p>The Lower High Street site proposed for the development of the Satellite Education Hub in Cradley Heath was specifically favoured by Sandwell College on account of its exceptional level of connectedness, being just 200 metres from Cradley Heath bus / rail interchange. This puts the Hub within easy reach of its target audiences right across Rowley Regis. It also enables levels of on-site car parking to be kept to a minimum, which in turn drives up the developable footprint of this relatively small site. Accessibility by bike and on foot will also be improved, through a proposed parallel Towns Fund</p>



	investment in safer and better cycling and walking priority schemes, linking Cradley Heath interchange with the town centre, and onwards towards Old Hill and Blackheath.
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## 4 BACKGROUND AND MAIN CONSIDERATIONS

- 4.1 Sandwell College, in partnership with the council as the Accountable Body, have secured circa £9m from the Government Towns Fund Programme to construct a Satellite Education Hub in Cradley Heath, to offer further education and training to meet the needs of local people, across Rowley Regis. The project forms part of Sandwell's £67.5m Town Deal, across Smethwick, West Bromwich and Rowley Regis.
- 4.2 External timescale pressures derived from meeting the Town Deal submission programme necessitated a requirement for a vacant, development-ready site for this facility, in Council-ownership and free from constraints. The Hub was to be sited outside the catchment of existing Sandwell College campuses in West Bromwich, and ideally should not overlap with catchments for other further education establishments – such as Halesowen College. In addition, the College insisted upon a location that was highly accessible by train or bus, on foot and by bike.
- 4.3 A search of available sites quickly narrowed the field down to one, the council-owned former public car park in Lower High Street, Cradley Heath. The site is approximately 0.2 hectares (0.5 acres) in area and occupies a strategic location midway between Cradley Heath bus/rail interchange and the town centre – both within 200 metres of the site.
- 4.4 Cabinet on 25<sup>th</sup> February 2015 approved the recommendations of the Land and Asset Management Committee of 19<sup>th</sup> February 2015 to declare the car park in Lower High Street surplus to council requirements. A decision to dispose of the site on the open market was also ratified. An indicative planning layout was prepared for the site which suggested that, subject to gaining planning consent, it could accommodate a small, free-standing, residential scheme.
- 4.5 Following the decision to dispose of the site, the land became the management responsibility of Property Services in November 2017. Concrete blockers being placed on the entrance to prevent trespass. However, the site was never advertised for disposal and it remained a



Council asset. Following local ward member concerns at a supposed shortage of commuter parking to serve the nearby railway station, the former pay and display car park was re-opened on a free-to-access basis in late 2017. It remained open in this form until September 2021, at which point Cabinet member agreement was obtained to once again close the site, and the entrance was sealed to prevent access.

- 4.6 To accord with the Council's Land Disposal Protocol an external agent was appointed to provide an opinion of the market value of the site, based upon a residential scheme of eight dwellings and an alternative use value restricted to educational use. Pennycuick Collins Ltd was successfully appointed following a procurement process.
- 4.7 Pennycuick Collins Ltd 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 £535,000 could be achieved.
- 4.8 As the disposal would be on the basis of delivering an educational use, an alternative valuation based upon this restricted use was also required. The council were advised that build costs of £230 to £240 per sq ft were applicable but subject to variation as full plans and specifications were not available from Sandwell College at that point and would only be available when the contract for build had been tendered.
- 4.9 Pennycuick Collins Ltd were therefore of the opinion that if the site was offered to the open market for a purely educational development scheme then, as a guide, a maximum capital receipt of £200,000 could be achieved. A copy of the original valuation report and updated advice is attached in the appendix.
- 4.10 It was agreed with Sandwell college that the disposal would restrict the sites use for educational purposes only and an overage provision included in the transfer to allow clawback should a satisfactory planning application be granted for a change of use at any point in the future.
- 4.11 Circular 06/03: "Local Government Act 1972 general disposal consent (England) 2003 disposal of land for less than the best consideration that can reasonably be obtained" provides guidance on the circumstances in which assets can be sold for Less than Best Consideration Reasonably Obtainable. Generally, it is expected that land should be sold for the best consideration reasonably obtainable;





however, it is recognised that there may be circumstances where an authority considers it appropriate to dispose of land at an undervalue. Where an asset is being sold at Less than Best Consideration and where the “undervalue” is between £50k and £2m then the decision to sell at Less than Best Consideration must be made by Cabinet. In considering such a disposal, there must be demonstrable evidence that the outcome will be equally beneficial as compared to a disposal at market value and will be for the well-being of the whole or part of the area.

## 5 CURRENT SITUATION

- 5.1 Sandwell College has appointed a design team who have prepared a design for the building, which will offer around 2100 sqm of accommodation over three floors. The low-carbon building will offer a publicly-accessible, shared, ground-floor atrium, acting as a meeting place and collaboration zone, with teaching areas on the upper floors. The design has been shared widely with a range of key partners and stakeholders and has been well received. This in turn formed the basis of a breakdown of construction costs, submitted as part of the Full Business Case.
- 5.2 In March 2022 Sandwell College’s appointed planning consultant made a pre-application planning submission to the Council. The pre-app was purposely limited in scope; being aimed at understanding the degree of compliance with current adopted planning policies. The Council’s response, in April 2022 confirmed that the proposed Satellite Hub is a departure from adopted policy, as the site is allocated residential. Policy advice also favours a town centre location for educational uses of this type, whereas Lower High Street is considered “edge of centre”, There are substantive and mitigating planning justifications for an educational use on the former car park site. The College’s planning team will put forward the case to set aside policy and advocate a departure from the adopted plan, as part of the full planning application.
- 5.3 Now that funding has been secured from the Government Towns Fund, the next key milestone for the scheme is for the Sandwell College to acquire the site and to submit a planning application in autumn 2022. A tender exercise will follow for the build of the facility, leading to work commencing on site in spring 2023. A 15 month-build and fit-out programme will enable the Satellite Hub to receive its first students in September 2024.



5.4 Sandwell College indicates the project will deliver a range of outputs once it is fully operational, as a consequence of and in addition to the provision of around 2100sqm of new educational floorspace. In summary, 475 new learners will be assisted, plus approximately 40-50 SMEs supported. It is anticipated that 80% of these learners will gain sufficient relevant experience to be 'job ready', so increasing the supply of skills for the local economy. Breaking that figure down further, the key economic benefits that will be generated by this project include:

- ❖ 100 traineeships per annum
- ❖ 250 unemployed adults reskilled per annum
- ❖ 75 apprenticeships per annum
- ❖ 50 College places for High Needs Students per annum
- ❖ Engagement with, and training for, 40 to 50 SMEs per annum
- ❖ 20 FTE net additional roles at the Satellite Education Hub

## 6 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 6.1 Sandwell College engages with a range of stakeholders in developing its curriculum and in working with local communities. Consultation took place with several key stakeholders, including local secondary and special schools, as a result of which the project was modified.
- 6.2 Consultation has also been undertaken with local councillors, through the Rowley Members Forum. Elected members were able to feed in constituent views and needs from the area and are also informed of plans to feed back to constituents.
- 6.3 Consultation was carried out with the local NHS Trust – Sandwell and West Birmingham NHS Foundation Trust. The project team met with representatives from Rowley Regis Hospital to understand the needs of NHS acute services locally. The project was then adapted to include a large element of Health & Social Care provision.
- 6.4 Consultation has also been undertaken with the Voluntary Sector, through Rowley Regis Towns Fund Local Board. The project has been adapted to utilise the voluntary sector as the primary engagement point with local people, to further inform them about the project. The project has consequently been adapted by including the voluntary sector as



users of the public areas in the building, alongside other stakeholders, to increase overall usage of the building.

6.5 At a broader level, there has been considerable consultation on this and all the other Towns Fund projects at Local Board and Super Board, also with the Leader of the Council, Cabinet members, ward members and the Member of Parliament, as the Satellite Education Hub project has emerged and evolved since 2020. It is clear from feedback that the project commands broad local support and addresses genuine needs.

## 7 ALTERNATIVE OPTIONS

- 7.1 As a first option the Council could consider disposal of the freehold of the land on the open market to generate a capital receipt. However, this option would miss an opportunity to unlock an important regeneration opportunity to deliver a much-needed education, training and skills facility in Cradley Heath and so contribute to meeting the aims of the Council's Corporate Plan.
- 7.2 Planning policy guidance directs the development of educational facilities such as this one into town centre locations. No site that meets the criteria around size, location, Council ownership and immediate availability free from occupation, lease or other legal encumbrance is available in Cradley Heath town centre. This second option is therefore closed. Sandwell College specifically require a site that is within easy reach of Cradley Heath train station, to offer accessibility to potential users across the south-west of the borough who are not currently within easy reach either of Sandwell College campuses in West Bromwich town centre or of other FE providers in Dudley or Halesowen.
- 7.3 As a third option, an exercise was undertaken early in 2021, when a former bank premises in Old Hill town centre became available. At the time, the building was privately-owned and the process of acquisition had not begun. It had not been surveyed but was considered incapable of conversion to meet current requirements for educational use, while neither the building nor the site it occupies were of sufficient size to meet the College's needs; finally, its position in Old Hill town centre was considered too remote from rail connections to be of value to potential users.





- 7.4 The fourth and final option considered was the option of doing nothing. This alternative would fail to meet any of the objectives set out in this report. It would fail to deliver the Satellite Education Hub, fail to bring a much-needed £9m investment into the borough and fail to secure a much-needed uplift in education, training and skills amongst the people of Rowley Regis. This would be considered to be the most unfavourable option.

## 8. LEGAL & GOVERNANCE CONSIDERATIONS

- 8.1 Under Section 123 Local Government Act 1972 the Council is required to dispose of its land at best consideration. The General Disposal Consent (England) 2003 gives consent for local authorities to sell at less than best consideration where:

- a) the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any parts of its area, or of all or any persons resident or present in its area;
  - i) the promotion or improvement of economic well being;
  - ii) the promotion or improvement of social well being;
  - iii) the promotion or improvement of environmental well being; and
- b) the value of the land to be disposed to Sandwell College does not exceed £2,000,000 (two million pounds).

- 8.2 The redevelopment would satisfy all of the criteria listed in paragraph 9.1a) as justification for a disposal at less than best consideration.

## 9. EQUALITY IMPACT ASSESSMENT

- 9.1 It has not been necessary for the council to undertake an Equality Impact Assessment, as the report merely seeks authority to dispose of a parcel of land.



9.2 A comprehensive Equality Impact Assessment (EqIA) has been prepared by Sandwell College as part of its full business case (FBC) submission to the Government, in order to secure final approval to the release of £9m of Town Deal funding.

## 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 Since the reopening of the car park on an informal free-to-access basis in 2017, low levels of usage and an absence of regular management or maintenance have led to an increase in crime and antisocial behaviour (ASB) on the site. Its closure to vehicles in 2021 may have helped prevent some of these problems but at present the land is unsecured against trespass and hence remains vulnerable to crime and ASB. The unlawful enclosure of a small area of land at the rear of the site by the occupier of one of the new houses in Chester Road, allegedly to prevent taxi drivers from urinating in his garden, illustrates this point. Early development of the land by Sandwell College in the manner proposed will remove opportunities for crime and ASB.

## 12 SUSTAINABILITY OF PROPOSALS

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

12.2 The proposed location for the Satellite Education Hub is a highly sustainable one. The site is less than 200 metres from Cradley Heath bus/rail interchange and within 200 metres of Cradley Heath town centre, maximising opportunities for staff and students to travel sustainably – on foot, by bike and on public transport – without need to use a private car.



12.3 The building itself will be designed and constructed in such a way as to minimise energy consumption and reduce carbon emissions.

12.4 Construction of the Satellite Education Hub will be fully funded through an allocation of £9m secured from the Government's Towns Fund programme. Operation, management and ongoing maintenance of the building will be the responsibility of Sandwell College, with the Council therefore permanently relinquishing all financial liability for the former car park.

### 13 HEALTH / WELLBEING IMPLICATIONS INCLUDING SOCIAL VALUE

13.1 The disposal of the site to Sandwell College for the development of a Satellite Education Hub will facilitate and promote vital upskilling of school leavers, NEETs, post-Covid adult returners and re-trainees, as well as harder-to-reach individuals with specific education needs. Access to better educational skills and targeted training courses that meet the needs of local employers will assist residents to improve core skills and personal marketability, while increasing their ability to compete for high-quality and well-paid local employment opportunities.

13.2 Social value will also be included within Sandwell College's procurement strategy. This will encompass formal contractual requirements to utilise local SMEs in the supply chain and appointed contractors and consultants to take on apprentices. The College would look for the contractor to commit to some/all of the following values (more local people in employment; more opportunities for disadvantaged people; improved skills for local people; improved employability of young people) and provide volumes / percentages.

### 14 IMPLICATIONS

<b>Resources:</b>	If the transaction proceeds, it will allow £9m to be drawn down from the Government Towns Fund Programme to construct a Satellite Education Hub in Cradley Heath, to offer further education and training to meet the needs of local people, across Rowley Regis.
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<b>Legal and Governance:</b>	The Council is able to dispose of land pursuant to Section 123 of the Local Government Act, 1972 provided that the disposal is not for less than the best consideration that can reasonably be obtained.
<b>Risk:</b>	If the matter does not proceed then there is a significant likelihood that the Council (and its partner Sandwell College) will lose Towns Deal funding worth £9m to deliver a new campus in Cradley Heath and to help meet vital education, training and skills elements of the Council's Corporate Plan.
<b>Equality:</b>	Sandwell College has undertaken an Equality Impact Assessment (EIA) for the proposed Satellite Education Hub in Cradley Heath. This demonstrates the new facility is likely to have positive impacts for students and the working age population through the creation of new opportunities, as well as wider community benefits through a combination of higher education and skills levels in the region.
<b>Health and Wellbeing:</b>	Currently the site is vacant and under-utilised. The redevelopment of the site with an education facility will improve the asset base of the borough. This will result in creating sustainable communities, improve health and wellbeing and reduce certain types of anti-social behaviour and crime.
<b>Social Value</b>	The development of this scheme will support investing in businesses, people, skills and jobs.

## 15. Appendices

Location plan SAM/30500/003

Geotechnical agreed joint statement

Pennycuick Collins Ltd valuation report 2022

Pennycuick Collins Ltd updated valuation advice dated September 2022

