

## **Cabinet – 11 December 2013**

### **Sale of land at Beddows Road, Ryecroft.**

**Portfolio:** Councillor Adrian Andrew, Deputy Leader and Regeneration

**Related portfolios:** Councillor C Towe, Resources

**Service:** Asset Management

**Wards:** Blakenall

**Key decision:** No

**Forward plan:** No

#### **1.0 Summary**

- 1.1 Walsall Housing Group (whg) has approached the Council to acquire land situated between 8 and 14 Beddows Road to include it in a redevelopment scheme which will provide 98 residential properties on land at Beddows Road and Rutland Street. The development would be implemented with a partnership organisation, the Lovell Partnership Ltd.
- 1.2 This application to acquire Council land is a revised application which was originally reported to Cabinet on the 16 December 2009. At that meeting Cabinet approved the sale of the subject land to the Lovell Partnership. However, shortly afterwards the Lovell Partnership withdrew from negotiations when the Homes and Communities Agency (HCA) withdrew funding for the Scheme.
- 1.3 Significant funding is now being provided by the Homes and Communities Agency (HCA) based on a revised planning scheme to provide more affordable housing and it is a requirement of HCA that, where Council land is sold for schemes which attract their funding, the land is sold at less than Best Consideration.
- 1.4 Councils can dispose of land at less than Best Consideration by virtue of the General Disposal Consent (England) 2003 where the social, economic or environmental benefits warrant such.
- 1.5 Planning Permission for the revised Scheme was granted by Planning Committee on 21 November 2013. Ref 13/1201/FL.

## **2. Recommendations**

Cabinet is recommended to:

- 2.1 approve the disposal of the freehold interest in the land shown edged in red on plan number EPMS 3071, extending to 768 square metres (or thereabouts), to Walsall Housing Group Ltd, for affordable housing as part of a wider scheme of 98 properties in partnership with the Lovell Partnership Ltd, for a consideration which has been negotiated at £15,000 plus payment of the Council's legal costs and surveyor's fees.
- 2.2 approve the use of the Local Government Act 1972 General Disposal Consent (England) 2003 in order to dispose of the land for an undervalue of £35,000, the full market value of the site being in the region of £50,000.

## **3. Report detail**

- 3.1 Walsall Housing Group has secured £1,005,000 of grant funding from the HCA for this development. As such, it is proposed to dispose of the Council's site for less than Best Consideration using the General Disposal Consent.
- 3.2 The General Disposal Consent provides Councils with consent to dispose of land for less than the Best Consideration that can reasonably be obtained in cases where the Authority considers that the disposal will help it to secure the promotion or improvement of the economic, social or environmental well-being of its area. It is subject to a condition, however, that the undervalue does not exceed £2m.
- 3.3 The proposed scheme will now provide 67 affordable units out of a total of 98 properties. This is 68% where the usual figure in line with planning policy is 25%. This means that the borough is benefiting from an additional 42 affordable units.
- 3.4 As such, the disposal will help to secure the promotion or improvement of the economic, social and environmental well-being of this part of the borough as part of a large residential development scheme.

## **4. Council priorities**

The Asset Management Plan requires the Council to make the most effective and efficient use of its land and property resources. The site is surplus to requirements. As the site is presently vacant the disposal will facilitate urban regeneration in the area.

## **5. Risk management**

Planning permission for the proposed development was granted by Planning Committee on the 21 November ref 12/1201/FL) and HCA funding has been obtained. Furthermore, the vast majority of the land is already in the ownership of either of the partners and, as such, the only risk would appear to be if the Cabinet did not approve a disposal of the Council's land at an undervalue and the subsequent granting funding from the HCA was lost.

## **6. Financial implications**

The full market value of the Council's land is in the region of £50,000. The proposed disposal at £15,000, therefore, provides an undervalue of £35,000. Grant funding from the HCA of £1,005,000 has been secured for the borough in connection with this scheme.

## **7. Legal implications**

- 7.1 Section 123 of the Local Government Act 1972 allows the Council to dispose of its property in any manner it wishes, subject to the requirement to obtain best consideration.
- 7.2 However, 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' allows local authorities to dispose of land at less than the best consideration where there it will promote or improve the economic, social or environmental well-being of the area. The undervalue of any disposal must not exceed £2 million.
- 7.3 Legal Services will deal with the necessary legal documentation.

## **8. Property implications**

- 8.1 The sale of the site will enable the regeneration of a derelict site which will deter antisocial behaviour and will release the Council from maintenance obligations.
- 8.2 As a single development plot the perceived level of interest in the Council's land is considered to be limited due to a variety of factors. These factors relate to issues both physical and economic it is expected that these factors would reduce any potential interest in the site should it be placed to the Market in isolation.

## **9. Health and wellbeing implications**

None directly arising from this report.

## **10. Staffing implications**

The sale will be carried out by Surveyors within Property Services. Legal Services will deal with the appropriate legal documentation.

## **11. Equality implications**

The policies of the borough's development plans support future developments in ways that will encourage beneficial impacts. If the site is developed for housing then the developments will provide much needed residential accommodation within the borough.

## **12. Consultation**

12.1 Consultation has been undertaken with ward councillors, legal services, finance, housing, and development and delivery.

12.2 Legal Services have provided information on the Council's freehold title

## **Background papers**

EPMS Plan 3072

## **Author**

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Simon Neilson  
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2 December 2013



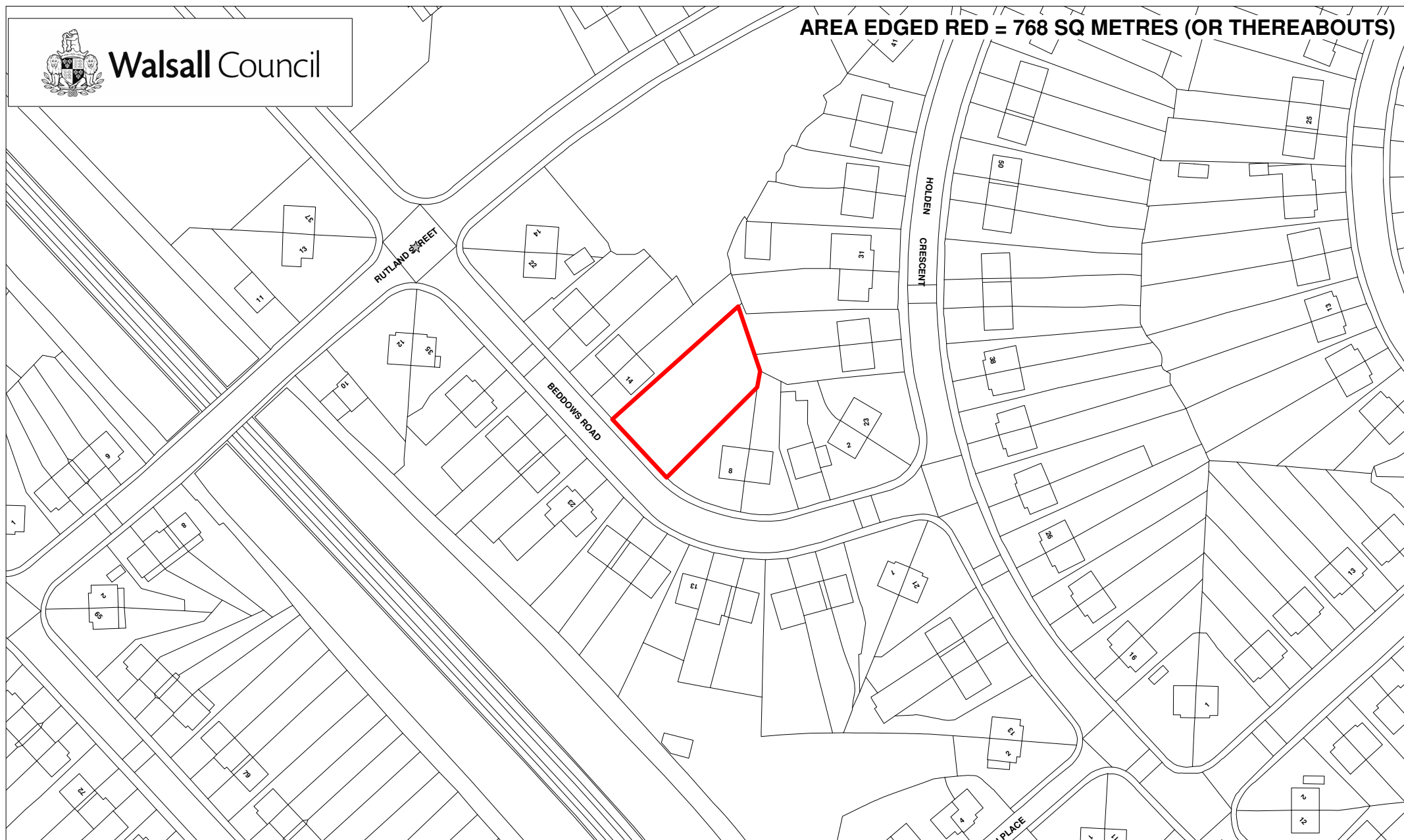
Councillor Adrian Andrew  
Deputy Leader  
Portfolio Holder: Regeneration

2 December 2013



**Walsall Council**

**AREA EDGED RED = 768 SQ METRES (OR THEREABOUTS)**



**ESTATE MANAGEMENT**

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**SITE ADDRESS:**  
**SITE BETWEEN 8 AND 14 BEDDOWS ROAD, WALSALL**

**DRAWING NO : EPMS 3072**  
**DATE : 03/01/2008**  
**DRAWN BY : KCL**



SCALE 1:1250

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