

Cabinet – 17 September 2008

Sale of the former Kings Hill JMI site off Old Park Road/Joynson Street, Wednesbury.

Portfolio: Councillor Adrian Andrew, Deputy Leader and Regeneration

Service: Property Services

Wards: Darlaston South

Key decision: Yes

Forward plan: Yes

1. Summary of report

- 1.1 This report relates to the proposed sale of Council owned land for residential development purposes, the value of which is anticipated as potentially being in excess of £500,000.
- 1.2 Under Financial and Contract Rules 16.3.1d, a Cabinet resolution is required to acquire or dispose of land and buildings whose value is anticipated to be £500,000 or more.
- 1.3 The proposal is in line with the Council's Corporate Asset Management Plan, which requires the Council to make the most efficient and effective use of its land and property.

2. Recommendations

- 2.1 Cabinet is recommended to approve a sale of the Council's freehold interest in the land shown edged in red on the attached plan EPMS 2818/4, extending to 4543 square metres (or thereabouts) to the highest bidder who is proposing a scheme in accordance with the Council's planning policy, with the purchaser being responsible for the Council's surveyor's fees and legal costs incurred in the transaction.

3. Background information

- 3.1 The school building previously housed on the site was originally constructed in the 1880s. The school was vacated in 1991 and was later burned down and subsequently demolished in 1992. The area of urban open space to the rear of 7 to 15 Joynson Street has been declared surplus and included within the land to be sold.

- 3.2 The Corporate Asset Management Plan requires the Council to make the most efficient and effective use of its land and property resources. The Council has no alternative use for the land for its own purposes. The land is therefore considered to be surplus to requirements and in accordance with the principles of good asset management practice, it is proposed that the interest be sold.
- 3.3 A previous attempt to dispose of the land to a housing association failed to complete due to the impact on the scheme's viability of abnormal development costs attributable to poor ground conditions. The Council has since commissioned two site investigation reports to enable those developers submitting an offer for the site to take into account the likely additional costs associated with the adverse ground conditions.
- 3.4 Site investigations indicate the presence of mine shafts, shallow mine workings and made ground. Soil analysis indicates high concentrations of some metals, arsenic, copper, cadmium, lead, nickel and zinc that in some locations exceed the current Soil Guidance Values. Elevated concentrations of Polyaromatic Hydrocarbons were found in some areas. Preliminary gas monitoring results indicate the presence of high (though variable) concentrations of Carbon Dioxide, accompanied by low levels of Oxygen. In addition, it is understood that the asbestos containing materials used in the former school's central heating system and boiler room, were not removed at the time of demolition. Therefore asbestos is believed to be present and specialist remedial action will be required.
- 3.5 The gross value of the land will be in excess of £500k but abnormal development costs associated with ground conditions, asbestos etc will reduce the eventual consideration paid for the site.
- 3.6 A Development Brief has been prepared to guide the redevelopment of land for residential purposes and which has been generally well received by ward members and local residents. The development brief reinforces the planning policies in the adopted Unitary Development Plan. The development is required to comply with the residential amenity standards contained within the Designing Walsall SPD, with the Council expecting that the development should provide a reasonable degree of privacy, daylight and useable amenity space for residents. Two storey terraced housing that reflects the character of the area would be appropriate in this location, although a contemporary approach may also be considered acceptable. It is expected that the development will provide visually strong built frontages to the highway to secure a good street environment and an outward facing development. The development of this site for housing purposes is a key proposal in the emerging Darlaston Strategic Regeneration Framework.
- 3.7 The water supply, storm and foul drains serving 1 Joynson Street, the now privately owned former caretaker's house, run under the subject land. The purchaser will be required to redirect or provide alternative connections to 1 Joynson Street.
- 3.8 It is proposed to advertise the Council's freehold interest for sale by informal tender. The selected purchaser will then be given a reasonable time to obtain planning consent before completing the sale.

4. Resource considerations

4.1 Financial:

The sale of the Council's land will contribute to the Capital Receipts target for 2008/09, which can be reinvested in supporting the Council's Capital Programme.

4.2 Legal:

The sale of the Council's land will be in accordance with the best consideration principles of Section 123 Local Government Act 1972, meaning that the land will be sold at Market Value following a period when it is advertised for sale on the open market. Legal Services will be instructed to deal with the necessary legal documentation.

4.3 Staffing:

There are no staffing implications arising as the necessary work can be carried out in-house.

5. Citizen impact

- 5.1 The sale of the land will ultimately result in the reclamation of a derelict site which will improve the amenity of local residents and provide a quality development of houses and/or apartments for the citizens of the Borough.

6. Community safety

- 6.1 The development will be designed to reduce crime and the fear of crime and the developer will be encouraged to seek 'Secured by Design' accreditation.

7. Environmental impact

- 7.1 The sale of the land will result in a currently vacant site being developed for quality residential purposes which will make a positive contribution to the street scene.

8. Performance and risk management issues

8.1 Risk:

Should Cabinet decide not to sell the site, it will result in the capital receipt not being achieved, which will impact on the Capital Receipt target for 2008/09 and the Council's Capital Programme.

Given the recent downturn in the housing market it is conceivable that an appropriate offer for the Council's interest may not be received. The Council's professional officers, within Estates & Asset Management and Finance, will be in a position to assess all offers following the marketing period.

8.2 Performance Management:

The sale will form part of the Asset Disposal Programme managed by Estates and Asset Management and monitored as a Strategic Directorate Management Team Project.

9. Equality implications

- 9.1 As part of the Detailed Planning Permission, the developer is likely to be required to contribute to the provision of affordable housing and open space by entering into Section 106 Agreements.

10. Consultation

- 10.1 The Delivery & Development Team within the Regeneration Directorate has been consulted and has produced the Development Brief to assist the marketing of the site. The Brief proposes a quality residential development.
- 10.2 Legal Services have been consulted and have confirmed that the Council's title to the land is registered freehold.

Background papers

None.

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28 August 2008



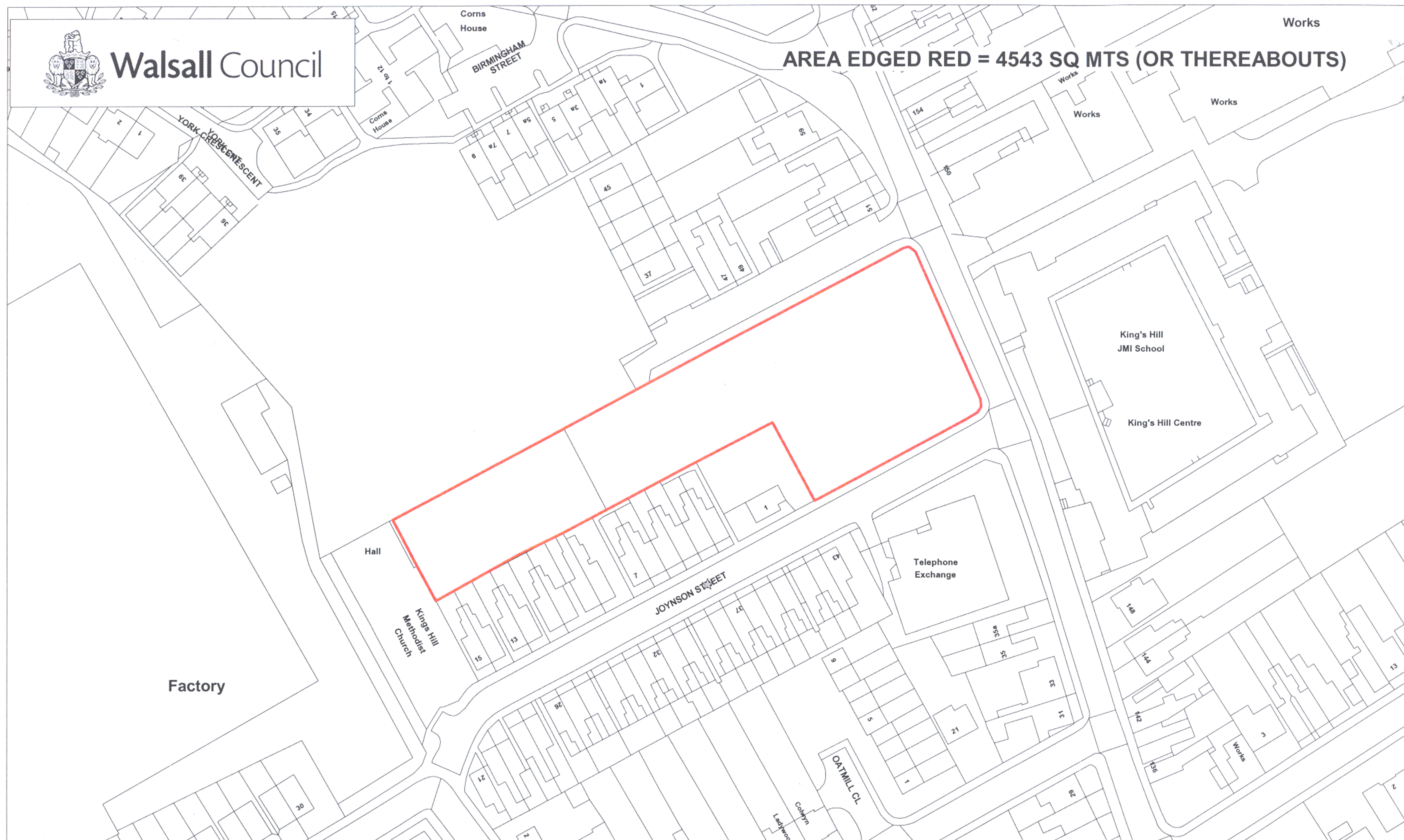
Councillor Adrian Andrew
Portfolio holder Regeneration and
Enterprise

3 September 2008



Walsall Council

AREA EDGED RED = 4543 SQ MTS (OR THEREABOUTS)



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DRAWING NO : EPMS 2818/4
DATE : 06/06/2008
DRAWN BY : KCL



SCALE 1:1250

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