

## **Cabinet – 02 July 2014**

### **Disposal of land comprising the site of the Former Brownhills Market, land at Lindon Drive and land at Silver Street Brownhills.**

**Portfolio:** Councillor A Andrew, Deputy Leader, Regeneration & Transport

**Related portfolios:** None

**Service:** Asset Management – Property Services

**Wards:** Brownhills

**Key decision:** Yes

**Forward plan:** Yes

#### **1. Summary**

- 1.1 As part of the regeneration plans for Brownhills, Walsall Housing Group (WHG), working in partnership with the Council, is seeking to acquire vacant Council-owned land within Brownhills centre to support their residential development activities. The proposed acquisition will consist of the site of the former vacant Brownhills Market and market traders' car park at Silver Street, land at Lindon Drive, and Highways land at Silver Court Gardens. WHG presently has existing vacant land Silver Court Gardens which they have identified for redevelopment. Consequently, their proposed acquisition forms part of a wider comprehensive residential development scheme in this location which will provide Affordable, Elderly and Open Market housing.
- 1.2 In accordance with the Council's Financial and Contract Rules, a Cabinet resolution is required to dispose of the Council's freehold interests as it is envisaged that the capital receipt shall exceed £500,000.

#### **2. Recommendations**

Cabinet is recommended to:-

- i. approve the disposal of the Council's freehold interest in the land shown edged on the EPMS Plan 3903/5 and extending to approximately 1.47 hectares (3.5 acres).
- ii. delegate authority to the Executive Director for Regeneration in consultation with the Cabinet Portfolio Holder for Regeneration to approve the terms for the disposal.

#### **3. Report detail**

- 3.1 Since 2006, as part of the Borough's Strategic Regeneration Framework (SRF), the Council have been working closely with key partners to address the long term vision for regeneration in the Borough by concentrating on district and local centres and their neighbourhoods. As such officers in Regeneration have continued to work collaboratively with Walsall Housing Group (WHG) in order to drive forward major residential-led regeneration schemes throughout the borough, including the delivery of the Brownhills Housing Masterplan (September 2006) to support and compliment wider regeneration activities.
- 3.2 Following large scale demolition works, since 2011 WHG have accelerated their residential development programme in Brownhills; with the delivery and commencement of approximately 150 units to date at key sites, including High Street, Deakin Avenue and Wessex Close, along with the internal and external refurbishment of Severn and Humphries House apartment blocks. These developments have contributed towards the rebalancing of housing tenure and type and supporting socio-economic benefits in the area.
- 3.3 As part of the next phase of their residential development programme, WHG are now pursuing plans to take forward land at Silver Court Gardens / Lindon Drive. The majority of the land identified for redevelopment is owned by WHG. However, in order to provide a comprehensive development solution, WHG also seek to acquire adjoining parcels of vacant Council-owned land; namely the former market traders' car park at Silver Street, land at Lindon Drive and Highways land at Silver Court Gardens. Additionally, in consultation with officers, WHG also wish to acquire the former vacant Brownhills Market site which, whilst detached from the other land parcels by Silver Street, would provide a continued development proposal in this area of the district centre. The total area highlighted for disposal therefore measures approximately 1.47 hectares (3.5 acres), which the Council has no alternative use for and, as such, has been declared surplus to the Council's requirements.
- 3.4 Following a public consultation exercise, in May 2014 WHG submitted a planning application to the Local Planning Authority, comprised of a detailed application for the Silver Court Gardens/Lindon Drive site and outline application for the former Brownhills Market site. The combined redevelopment will provide approx 191 new residential units, comprised of 62 over 55's units, 45 affordable units and 84 open market dwellings with associated landscaping and public realm improvements.
- 3.5 WHG have already procured a developer partner, Kier, and also secured funding for 45 units from the Homes and Communities Agency (HCA) Affordable Housing Programme 2015-2018 which are required to start on site in November 2014. WHG have also submitted a further funding bid to the HCA programme to support the development of 62 units within the over 55 older provision element – the outcome of this bid is due in July 2014. In addition WHG, the Council and the HCA are in continual dialogue around sites within Walsall that may be subject to further funding bids, which may include other elements of the proposed scheme.
- 3.6 Cabinet is being asked to approve the sale to WHG and to delegate authority for the approval of terms to the Executive director for Regeneration and the Portfolio Holder for Regeneration and Transport.

#### **4. Council priorities**

- 4.1 The Asset Management Plan requires the Council to make the most effective and efficient use of its land and property resources. The sites are surplus to requirements and the proposed transactions will deliver disposals at best consideration.
- 4.2 The commitment to sell the sites to WHG assists in development of affordable housing to address the known need for housing in the borough. The scheme also supports and compliments the regeneration of Brownhills district centre.

#### **5. Risk management**

- 5.1 Planning permission for the proposed development on the sites will need to be obtained from the Local Planning Authority prior to the transaction reaching completion.
- 5.2 It is proposed to deal with WHG as a named party as the Council's land shall be combined with land already in WHG's ownership to promote a more comprehensive approach to redevelopment. This proposal shall satisfy the requirement to achieve Best consideration under S.123 Local Government Act 1972.

#### **6.0 Financial implications**

- 6.1 It is expected that the disposal will generate a capital receipt in the excess of £500,000, (compared to a net book value of £585,000) plus the payment of the Council's professional fees. This will assist the Council in reaching its capital receipt target for the current financial year.
- 6.2 The disposal will be in accordance with the best consideration principles of Section 123 Local Government Act 1972.

#### **7. Legal implications**

- 7.1 Legal Services will prepare the required legal documentation for the sales.
- 7.2 It is proposed to deal with WHG as a named party as the Council's land shall be combined with land already in WHG's ownership to promote a more comprehensive approach to redevelopment. Best consideration under S.123 Local Government Act 1972 will be verified via the professional advice of suitability qualified Asset Management Officers.
- 7.3 It is proposed to negotiate with WHG as a named party which is permitted under s.123 Local Government Act 1972 as long as the sales represent a disposal at best consideration.

#### **8. Property implications**

8.1 The sales of the sites will enable the regeneration of currently derelict sites which will deter antisocial behaviour and will release the Council from maintenance obligations.

8.2 The proposed redevelopment of the sites will meet identified housing needs for affordable housing in the borough.

## 9. Staffing implications

9.1 Each sale will be carried out by Surveyors within Asset Management. Legal Services will deal with the appropriate legal documentation.

## 10. Equality implications

10.1 At this stage of the proposal there are no immediate equality implications. Equality analysis, legal and built environment related requirements and good practice issues will be considered throughout the project.

## 11. Consultation

Consultation has been undertaken with, Ward Councillors, legal services, finance, planning and building control, housing, strategic regeneration and development and delivery.

## Background papers

Plan EPMS 3903/5.

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