

**Name of meeting:** CABINET

**Date:** 17 January 2017

**Title of report:** Disposal of Land and Property Assets

Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes
Is it in the <a href="#">Council's Forward Plan</a> ?	Yes
Is it eligible for "call in" by <a href="#">Scrutiny</a> ?	Yes
Date signed off by <u>Director</u> & name	Jacqui Gedman – 9 January 2017
Is it signed off by the AD Financial Management, IT, Risk and Performance	Debbie Hogg – 5 January 2017
Is it signed off by the Assistant Director - Legal & Governance?	Julie Muscroft – 5 January 2017
Cabinet member <a href="#">portfolio</a>	Councillor Graham Turner – Asset Strategy, Resources and Creative Kirklees

**Electoral [wards](#) affected:** All

**Ward councillors consulted:** Cabinet

**Public or private:** Public report with private appendix (B)

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Appendix B of this report is recommended to be taken in Private because the information contained in it is considered to be exempt information under Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that it would not be in the public interest to disclose the information contained in the report as disclosure could potentially adversely affect overall value for money and could compromise the commercial confidentiality of the bidding organisations and may disclose the contractual terms, which is considered to outweigh the public interest in disclosing information including, greater accountability, transparency in spending public money and openness in Council decision-making.

## **1. Purpose of report**

- 1.1 The purpose of this report is to seek Cabinet approval:-
- for the disposal of a number of land and property assets, on terms to be agreed by the Assistant Director of Place and Assistant Director Legal & Governance and in accordance with the current delegation scheme; and
  - to adopt a decision making process as outlined in Appendix D.
- 1.2 This report will also provide an update to Cabinet on the completed asset disposals in 2015/16.

## **2. Key Points**

- 2.1 The Council continues to review its land and property assets in order to identify assets that will support :
- The delivery of New Council.
  - The Local Plan.
  - Economic Resilience and Early Intervention and Prevention.
  - Community asset transfer.
- 2.2 The Council's medium term financial plan has a requirement for the generation of £29.5m capital receipts, including £5.5m in 2016/17. Capital receipts reduce the requirement for new borrowing, reduce financing costs and support the Five Year Investment Plan.
- 2.3 The Council was successful in disposing of a number of assets in 2015/16 generating capital receipts of £6.16m. Please refer to appendix C for the named assets.
- 2.4 The capital receipts received to date in 2016/17 total £1.130m, and Cabinet approval is now required in order to progress further disposals.
- 2.5 Three decision trees have been developed to assist Cabinet in the decision making process and provide a platform for consultation with ward members on the opportunities to support the move to New Council, please refer to appendix D. Adopting and formalising the use of the decision trees will enable a robust and consistent process for how assets are processed by Council Officer's and Members, as well as assist with ensuring community asset transfer requests are considered in line with other services and community support.

On this basis the officer recommendations for disposal of assets listed in appendix A and B include:

- Buildings that are vacant or do not support New Council.
- Surplus commercial properties (subject to tenancies and protection under the Landlord and Tenant Act 1985, appendix B).
- Land sites with potential for development.
- Grazing land with no alternative use potential
- Agricultural holdings (subject to tenancies and protection under the Agricultural Holdings Act 1986 or Agricultural Tenancies Act 1995)

Disposal of land can be undertaken in a number of ways and it is for the Council to determine the most appropriate sales mechanism for their asset, but potential approaches include:

- **Formal Tender** – where the sale is publicly advertised and tenders submitted by a given date.
- **Informal or Negotiated Tender** – where informal tenders are invited by a given date subject to contract. Negotiations may continue after tenders are received, with the possibility that different bidders may compete to offer the most advantageous terms. This approach enables the seller to continue to negotiate after the closing date for tenders to ensure the best possible terms and outcomes.
- **Public Auction** – where land is sold through an open auction, available to anyone. Sales will be publicly advertised in advance. Auctions have the advantage of being open, competitive and allow for transactions to be completed quickly.
- **Private sale** – where the sale of land is negotiated with one or a small number of potential buyers at a price agreed between the parties. Private sale has the advantage of being straightforward, but is likely to be appropriate only in certain circumstances (for example for smaller lots of land, where sitting tenants have rights to purchase and also farm tenants, etc.).

There are a number of strategic town centre assets where the Council will look to provide a development brief and criteria to secure a suitable end use within the context of the town centre. This is likely to be achieved through an informal or negotiated tender and gives the Council an opportunity to ensure an appropriate end use.

- 2.6 The vacant land sites in Appendices A and B have been assessed by officers for the potential of being an active disposal to support housing delivery with partners. However, that process has determined that there are other Council owned sites that are more suitable to support that strategy.
- 2.7 Within Appendix B there are three agricultural holdings that have been identified for disposal. These are subject to Agricultural Holdings Act 1986 or Agricultural Tenancies Act 1995 tenancies. Disposal of the holdings will enable tenants to benefit from freehold ownership.

### **3. Implications for the Council**

#### **3.1 Legal Implications**

##### Best Consideration

Section 123 Local Government Act 1972 provides that land and assets cannot be sold for less than best consideration without the consent of Secretary of State. The concept of best consideration in essence means that land and assets must be sold for the highest price, however under The Local Government Act 1972: General Disposal Consent 2003 the Council can sell land and assets for a undervalue of up to £2m if doing so would be likely to contribute to an economic, social or environmental objective.

##### EU State Aid – provision of financial assistance

To ensure compliance with EU State Aid individual cabinet reports will quantify the level of undervalue of any proposed disposal against the market value, to ensure compliance with State Aid thresholds, where required.

### **3.2 Financial Implications**

#### Capital

The capital receipts will support the Five Year Strategic Investment Plan and reduce the costs of new borrowing. If sold, the assets listed in appendix A and B will supply 12-18 months of the capital receipts target.

#### Revenue

The revenue costs associated with asset disposals include holding costs, professional fees, security, planning development, surveys and marketing. As previously approved by cabinet on 16<sup>th</sup> Dec 2014, up to 4% of capital receipts can be used to offset the Council's revenue costs associated with the preparation of assets for disposal.

The estimated revenue savings from assets listed in appendix A and B is £120k p.a.

### **3.3 Human Resources Implications**

None

### **3.4 IT Implications**

None

### **3.5 Strategy and Partnership Implications**

Officers continue to work with partners in health and the wider public sector, the assets listed in appendix A and B have no strategic partnership implications.

## **4. Consultees and their opinions**

Simon Taylor – Head of Development Management

Adele Buckley – Head of Regeneration Environment and Funding

Julie Muscroft – Assistant Director Legal, Governance and Monitoring

Legal Officers were consulted in putting the report together and their comments have been included in the report.

#### **LMT/Portfolio Holder Comments**

Councillor Graham Turner – Asset Strategy Resources and Creative Kirklees supports the report and the named assets in appendix A and B.

#### **Ward Member consultation**

Following on from consultation with Portfolio Holders and Cabinet Liaison Group – Assets/Cabinet Committee - Assets, all ward members have received a copy of the proposed report and have been invited to a number of drop in sessions to focus on the sites proposed for disposal, over a four week period.

## **5. Next Steps**

- 5.1 If approved officers will prepare a programme of asset auctions and commence marketing of the assets listed in appendices A and B.
- 5.2 A progress report will be submitted to Cabinet later in 2017.

## **6. Officer recommendation and reasons**

It is recommended that Cabinet:

- 6.1 Approve the disposal of assets listed in appendices A and B
- 6.2 Approve and adopt the formalisation and use of the two decision trees;
  - Officer Strategic Asset Review (Appendix D1)
  - Member Strategic Asset Process Chart. (Appendix D2)
- 6.3 Delegate authority to the Assistant Directors of Place to negotiate and agree the terms and the most appropriate manner in which to proceed with the disposal of each asset listed in appendices A and B, including sale price (except when an auction is the preferred route when officers will comply with the Contract Procedure Rules).
- 6.4 Delegate authority to the Assistant Director Legal and Governance Monitoring to enter into and execute any agreements or instruments relating to the disposal of any assets listed in appendix A and B.

## **7. Cabinet portfolio holder recommendation**

Councillor Graham Turner – Asset Strategy, Resources and Creative Kirklees.

Endorses the officer recommendations within the report and supports the disposal of the assets identified to support the Medium Term Financial Plan.

## **8. Contact officer and relevant papers**

- Joe Tingle, Physical Resources and Procurement Officer
- Stephen Stead, Asset Strategy Manager

## **9. Directors responsible**

Paul Kemp – Assistant Director of Place

Jacqui Gedman – Deputy Chief Executive & Director of Place

## Appendix A

Ward	Property Name/Address	Brief Description
Dewsbury South	Combs Hill Hostel, Hall Lane, Thornhill, WF12 0LG	Former residential school and former hostel.
Cleckheaton	Kenmore Drive, Cleckheaton, BD19 3EJ, (Land adj)	Surplus land.
Newsome	Crown Court Buildings, Princess Street, , Huddersfield, HD1 2TT	Surplus office accommodation.
Newsome	Britannia Mills, Colne Road, , Huddersfield, HD1 3ER	Surplus office accommodation.
Dalton	Ashgrove Depot, Ashgrove Road, Deighton, Huddersfield, HD2 1FQ	Depot surplus to service needs.
Crosland Moor & Netherton	Nabcroft Lane, Crosland Moor, Huddersfield, HD4 5EP (Car park adj to 98)	Surplus land
Holme Valley North	Honley Bridge Depot, Eastgate, Honley, Holmfirth, HD9 6PA	Depot surplus to service needs.
Birstall & Birkenshaw	Smithies Moor Lane, Birstall, WF17 9AT, (Land at)	Surplus land.
Ashbrow	No.3, Oak Road, Bradley, Huddersfield, HD2 1SN	Surplus property.
Ashbrow	No.1a, 3a, 5a, Oak Road, Bradley, Huddersfield, HD2 1SN	Surplus property.
Greenhead	Hillhouse Lane/Bradford Road, Fartown, Huddersfield HD1 6EF	Surplus land.
Almondbury	Lower Wheatroyd/Upper Wheatroyd, Kaye lane, Almondbury, HD5 8XP	Surplus grazing land now vacant.
Dalton	Jagger Hill / Cold Royd lane, Kirkheaton, Huddersfield, HD5 0QZ	Surplus agricultural land.
Greenhead	Springwood Hall Gardens, Huddersfield, PostcodeHD1 4HA, (Land south of)	Surplus grazing land now vacant.
Ashbrow	Ochrewell Avenue, Deighton, HD2 1LP (land to rear of 62 – 70)	Surplus grazing land now vacant.

**Disposals 15/16**

Land adjoining 18 Holland Street	Batley
Land adjacent 5-7 Caledonia Road	Batley
Land at Caledonian Road, Savile Town	Dewsbury
Land to the rear of 7 Spinneyfield, Fixby	Huddersfield
Land at the rear of 28 Sude Hill, New Mill	Holmfirth
Land fronting 68 Boothroyd Lane	Dewsbury
Land adjacent to 61 Kitson Hill Road	Mirfield
Land on the south east side of Leeds Road, Bradley	Huddersfield
Skelmanthorpe Council Offices, Commercial Road, Skelmanthorpe (Asset Transfer)	Huddersfield
Paddock Village Hall, West View, Paddock (Asset Transfer)	Huddersfield
Soothill Community Centre, Broomsdale Road (Asset Transfer)	Batley
Holme Public Conveniences situated on the south side of The Village, Holme (Asset Transfer)	Holmfirth
Land and buildings off Wakefield Road, Denby Dale (Asset Transfer)	Huddersfield
Former Heaton Avenue F & N School, Westcliffe Road	Cleckheaton
Land at Greenhead Lane, Dalton	Huddersfield
Oakmead, 1C Lidget Street, Lindley	Huddersfield
Land at Colne Road	Huddersfield
Land at Oastler Street, Westtown	Dewsbury
Land at Chapel Lane	Dewsbury
Land at Healey Lane, Healey	Batley
Land opposite 38 Upper George Street	Heckmondwike
Former Caretaker's House, 5 Blenheim Drive	Batley
land and building at 109 Blacker Road part of Edgerton Cemetery, Cemetery Road	Huddersfield
Thornhill Council Offices, Scout Hut & land, The Common, Thornhill	Dewsbury
Units 1, 2 & 3 Riverside Way, Ravensthorpe Industrial Estate	Dewsbury
Land on the north side of Colne Vale Road, Milnsbridge	Huddersfield
Land adjacent to 225 Ravenshouse Road	Dewsbury
Freehold property at Red Doles and Canker Lane	Huddersfield
98 Commercial Street	Batley
Land at Hillhouse Lane / Bradford Road	Huddersfield
128 Northgate, Almondbury	Huddersfield
Land Queensgate Retail Park	Huddersfield

Land at Churwell Vale Shaw Cross	Dewsbury
land at Siggott Street	Huddersfield
land at Knowl Grove	Mirfield
land at Upper George Street	Heckmondwike
Land on the south side of North Road	Dewsbury
land at Halifax Road	Liversedge
land at Upper Road	Batley
land at Battye Street	Dewsbury
land at Moss Street	Huddersfield
land on the east side of Holland Street	Batley
Land at Church Lane/Kirkgate, Birstall	Batley
Land at Holland Street	Batley
Land at Halifax Road, Hightown	Liversedge
Land at Colne Road	Huddersfield
Land at Upper Road/Naylor Street	Batley
Land at Norfolk Street	Batley
Land at Upper George Street	Heckmondwike
Garage site at Moss Street, Newsome	Huddersfield
Land at Sand Street	Huddersfield
Land known as Fleece Yard	Huddersfield
Land at Dyson wood way Bradley	Huddersfield
Fieldhead, 1 Lidget Street, Lindley	Huddersfield
Land and buildings at 6 and 8 St Peters Street	Huddersfield
John Ramsden Court, Wakefield Road, Aspley	Huddersfield

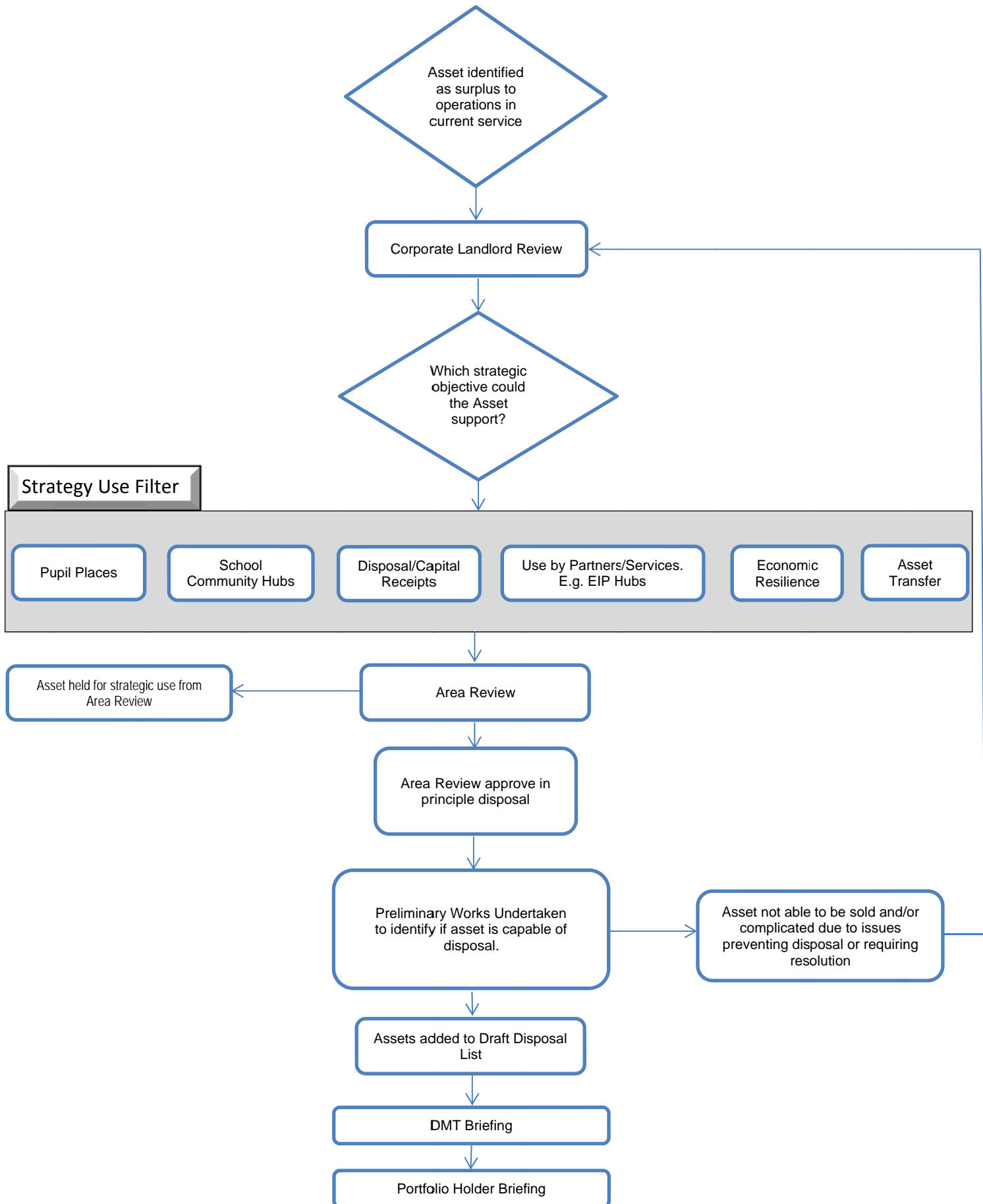
### **Disposals 16/17**

land adjoining 19 Huddersfield Road	Holmfirth
land at St Andrews Road	Huddersfield
land adjacent to 36 Close Hill Lane, Newsome	Huddersfield
land to the rear of 160 Ashes Lane, Almondbury	Huddersfield



land adjoining 3 Mount Street	Cleckheaton
land at Chesilton Avenue, Oakes	Huddersfield
land to the rear of 268 Headfield Road, Thornhill Lees	Dewsbury
land at former 80-84 Sheepridge Road	Huddersfield
land to the rear of 193 Barnsley Road, Flockton	Denby Dale
land at Manor Street / Bell Street	Huddersfield
land to the north side of 11 Commercial Street, Ravensthorpe	Dewsbury
7 Bay Hall Common Road, Birkby	Huddersfield
land adj 63 Stile Common Road	Huddersfield
Land at Chickenley Lane	Dewsbury
Freehold reversion 38 Wakefield Road	Huddersfield

## Appendix D1 - Officer Strategic Asset Review



## Appendix D2- Member Strategic Asset Process Chart

