



Name of meeting: Cabinet
Date: 25th August 2015
Title of report: Disposal of land at Bradford Road, Dewsbury
 (former Safeway site)

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 - The sale of the land should generate a receipt (equivalent to a saving) in excess of £250k
Is it in the Council's Forward Plan?	Yes
Is it eligible for "call in" by Scrutiny?	Yes
Date signed off by <u>Director</u> & name	Jacqui Gedman – 05/08/15
Is it signed off by the Director of Resources?	David Smith – 05/08/15
Is it signed off by the Assistant Director - Legal, Governance & Monitoring	Julie Muscroft – 05/08/15
Cabinet member portfolio	Place and Resources

Electoral [wards](#) affected: Dewsbury East

Ward councillors consulted: The views of the Ward Members for Dewsbury East and West have been sought and comments are reported in the section on Consultees and their opinions.

Public or private: Public (with Private Appendix)

1.0 Purpose of report

- 1.1 This report seeks approval for marketing and disposal of the Council owned land at Bradford Road, Dewsbury.

2.0 Background

- 2.1 The site at Bradford Road shown edged red on the site plan at Appendix 1 is located on the edge of Dewsbury Town Centre and has a gross area of approximately 0.98 hectares (2.44 acres). The site was formerly occupied by a Safeway supermarket store.

- 2.2 The Council acquired the property on the open market in 2008 from the adjoining owner Lidl and subsequently demolished the buildings down to ground floor slab level. The original purpose of the acquisition was to provide a site for new facilities for the merger of Huddersfield and Dewsbury College's. However, the site is now surplus to the Council's requirements.
- 2.3 The Council's title is subject to a restrictive covenant in favour of Lidl not to use the land for the retail sale of food and drink within Class A1. There is also a supplemental agreement made between the Council and Lidl covering the construction of a new joint access in the event that this is required by the local planning authority (LPA) to support development of the Council's land.

3.0 Main Issues

a) Planning

- 3.1 The site is currently unallocated in the Kirklees Unitary Development Plan (UDP). Kirklees UDP policies and proposals are superseded by the provisions of the National Planning Policy Framework (NPPF) published in March 2012. The LPA have advised that their preferred use of the site would be for non-town centre uses (town centres as defined in the NPPF Glossary) or town centre uses that would complement and not compete with Dewsbury Town Centre.

- 3.2 Broadly, the LPA would consider the following non-town centre uses:-
- Residential
 - Employment

Town Centre uses that may complement the centre:-

- Retail (bulky goods only)
- Office (caution over opportunities in town centre)
- Leisure/entertainment/intensive sport and recreation (caution over restaurants, bars, and public houses due to opportunities in town centre.

A sequential test would be required which would need to consider the scale of the proposal and opportunities available within Dewsbury Town Centre.

b) Environment and highways

- 3.3 Prior to use as a supermarket, the site was previously occupied by a mill with associated infrastructure. There is a culverted watercourse, Dewsbury Beck, running through the site with the entrance to the north. The eastern half of the site adjoining the watercourse is within Flood Zones 2 and 3 of the Environment Agency's Flood Maps.
- 3.4 Previous site investigations in 2009 and 2010 revealed made ground across the site. Subsequent chemical testing of the made ground did

not reveal significant contamination which would pose a significant risk to human health.

- 3.5 A supplemental agreement made between the Council and Lidl in 2008 covers the construction of a new joint access to serve both the existing Lidl store and any new development on the Council land, in the event that such is required by the local planning authority.

c) Market demand

- 3.6 The former Safeway site has been subject of much interest during the last few years, with interest from retailers, developers and bespoke end users and it is considered that demand for the site will be strong notwithstanding the site's constraints and restrictions placed upon it.
- 3.7 Recently the Council have been approached by a third party with a proposal to acquire the Council's land for the development of further retail units. Financial details of the proposal are attached at Appendix 2 in the private part of today's agenda.

d) Regeneration

- 3.8 The former Safeway site is bounded by two major arterial roads and sits at a key gateway into Dewsbury town centre. As an edge of centre site the redevelopment needs to have a positive and contributing impact on the town centre. Given the nature of the site, large flat site with good access, the opportunity to generate new floorspace, create employment and indeed residential can be accommodated on the site.

e) Best consideration

- 3.9 The Council is under a statutory duty to obtain best consideration that can reasonably be obtained when disposing of land and property. Circular 06/03: Local Government Act 1972 General Disposal Consent (England) 2003, issued by the Department for Communities and Local Government (DCLG), states that best consideration is generally the unrestricted Market Value (MV) and is the best price reasonably obtainable for the disposal where the principal aim was to maximise the value of the receipt. The unrestricted value should take into account of whatever uses might be permitted by the local planning authority.
- 3.10 The Council's duty is to achieve a particular outcome (namely the best price reasonably obtainable): it is not a duty to conduct a particular process. The European Commission Communication on State aid elements in sales of land and buildings by Public Authorities (97/C209/03) describes a simple procedure that allows Member States to handle sales of land and buildings in a way that automatically precludes the existence of State aid. State aid will not be present in sales following a well-publicised, unconditional bidding procedure or following sales subject to an independent expert evaluation where the market value established is the minimum purchase price that can be agreed without granting State aid.

- 3.11 The Market Value of the site has been assessed by the Council's external valuers and a copy of their report is attached at Appendix 3 in the private part of today's agenda.

4.0 Implications for the Council

a) Policy

- 4.1 The sale and subsequent development of the site at Bradford Road¹ could result in a number of outcomes based on the redevelopment options for the site. In the case of employment usage the site has the potential to generate up to 2,700m² of new business floorspace capable of accommodating in excess of 40 jobs³. In respect of residential activity the site is capable of accommodating a range of 30-45 family and smaller dwellings. This figure would vary, depending on the ratio and density of smaller units and family housing. The upward expected figure of 45 units would be based on maximising the number of smaller units.
- 4.2 The site has the potential to contribute towards the Kirklees Economic Strategy 2014-2020 priorities (4 and 5) by providing a platform for the creation of new residential and employment supporting the transformation of Dewsbury town centre.
- 4.3 Any disposal would only progress following review and consideration of the Dewsbury Strategic Development Framework report to be considered by members in late 2015.

- 1 With an estimated net developable area of 0.75 hectares
- 2 At a plot density ratio of 3,500 sq m per hectare (Source: Roger Tym & Partners, 'Planning For Employment Land: Translating Jobs into Land', April 2010, page 51)
- 3 At an employment density ratio of 67 sq m per worker (Source: Roger Tym & Partners, 'Planning For Employment Land: Translating Jobs Into Land', April 2010, page 51)

b) Finance

- 4.4 The Council would obtain a capital receipt from the sale of the land. The authority would also receive a proportion of the business rates income from future occupiers of business premises.

c) Land and Property

- 4.5 The Council's current Estate Management Policy is to generally dispose of land and property at best consideration. Marketing of the land would be outsourced to an external agent to maximise exposure to active purchasers and developers. The disposal would be by way of an informal tender process, with completion being subject to planning

permission being obtained. The terms of the disposal would secure development obligations on the part of the purchaser, backed up with appropriate re-purchase provisions in the event that a development does not commence within a reasonable time.

5.0 Monitoring and Review

- 5.1 Following any Cabinet approval to delegate authority to appropriate officers to market the site, and enter into and execute all appropriate documentation with preferred purchaser, developer's proposals would be taken to Place Directorate Management Team to select the preferred purchaser.

6.0 Consultees and their opinions

- 6.1 The Principal Planning Officer – Place: Investment and Regeneration has been consulted and his comments are included in the main issues section of this report.
- 6.2 The Senior Legal Officer (conveyancing) in Legal, Governance and Monitoring Service has been consulted and his comments are reflected in the report.
- 6.3 The views of Ward members for both Dewsbury East and Dewsbury West have been sought. Councillor Firth confirmed his support for the proposal; no other comments were received.

7.0 Next Steps

- 7.1 The next steps would be for officers to appoint an external agent and prepare an information pack in advance of the marketing of the site.

8.0 Officer recommendations and reasons

It is recommended that:

- 8.1 Cabinet approves the sale of the land but subject to the requirement that the land must be sold by way of tender on the open market
- 8.2 Cabinet delegates authority to the Assistant Director, Physical Resources & Procurement Service in consultation with the Assistant Director Investment & Regeneration Service to negotiate and agree the terms and conditions of the sale of the Land with the successful tenderer
- 8.3 Cabinet delegates authority to the Assistant Director Legal Governance & Monitoring to negotiate seal and enter into all appropriate documents in relation to the sale of the land with the successful tenderer
- 8.4 The reasons for the recommendation are that the development of the site will contribute towards the Council's Economic Strategy and

marketing will ensure that the opportunity to develop this important site in Dewsbury is exposed to the widest possible audience.

9.0 Cabinet Portfolio Holder recommendations

The Portfolio Holders, Cllr Peter McBride and Cllr Graham Turner, agree with the content of the report and are happy for it to proceed to Cabinet.

10.0 Contact officers and relevant papers

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Appendices

1. Site location plan
2. Financial details of proposal from third party (Private appendix)
3. Valuation report (Private appendix)

11.0 Assistant Directors responsible

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**PHYSICAL RESOURCES
& PROCUREMENT**

Plan No: 15-0045

Scale: 1250

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