

**Name of meeting - Cabinet**

**Date - 21 August 2018**

**Title of report - Disposal of Surplus Land and Property Assets**

**Purpose of report**

The purpose of this report is to seek Cabinet approval for the disposal of a number of surplus land and property assets, on terms to be agreed by the Strategic Director - Economy and Infrastructure and Service Director - Legal, Governance and Commissioning and in accordance with the current delegation scheme.

<b>Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?</b>	<b>Yes</b>  <b>If yes give the reason why</b> If the report is approved the decision will affect 17 electoral wards in Kirklees.
<b>Key Decision - Is it in the <a href="#">Council's Forward Plan (key decisions and private reports?)</a></b>	<b>Yes</b>  <b>16 July 2018</b>
<b>The Decision - Is it eligible for call in by Scrutiny?</b>	<b>Yes</b>
<b>Date signed off by Strategic Director and name</b>	<b>Karl Battersby - 03.08.2018</b>
<b>Is it also signed off by the Acting Service Director - Finance, IT and Transactional Services</b>	<b>Eamonn Croston - 03.08.2018</b>
<b>Is it also signed off by the Service Director - Legal Governance and Commissioning</b>	<b>Julie Muscroft - 10.08.2018</b>
<b>Cabinet member <a href="#">portfolio</a></b>	<b>Councillor Graham Turner (Corporate)</b>

**Electoral wards affected:** Almondbury, Ashbrow, Batley East, Birstall & Birkenshaw, Cleckheaton, Colne Valley, Crosland Moor & Netherton, Dalton, Dewsbury East, Dewsbury West, Golcar, Greenhead, Holme Valley North, Holme Valley South, Liversedge & Gomersal, Mirfield, Newsome

**Ward Councillors consulted:**

**Public or private:** Public report with private appendices (B and D)

It is recommended that Appendices B and D of this report be taken in Private because the information it contains 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. Summary

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 Strategic Director - Economy and Infrastructure and Service Director - Legal, Governance and Commissioning and in accordance with the current delegation scheme.

- 1.1 The Council disposal programme in 2017/18 generated capital receipts totalling £7.1m. Revenue savings in excess of £250k have also been achieved through the disposal of surplus land and property assets.
- 1.2 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. Information required to take a decision

- 2.1 The Council's medium term financial plan has a requirement for the generation of **£38m** in capital receipts, **including £6m in 2018/19**. Capital receipts reduce the requirement for new borrowing, reduce financing costs and support the Five Year Strategic Investment Plan.
- 2.2 Cabinet is requested to consider approval of identified surplus assets in order to progress further disposals.
- 2.3 Assets listed in appendix A and B include:
  - Buildings that are vacant or do not support New Council.
  - Surplus commercial properties (subject to leases and protection under the Landlord and Tenant Act 1985).
  - Small sites with potential for development.
  - Grazing land with no potential for development or alternative use.
  - Agricultural holdings (subject to Agricultural Holdings Act 1986 or Agricultural Tenancies Act 1995 agreements)
  - Long leasehold interests.

Disposal of land and property can be undertaken in a number of ways and it is for the Council to determine the most appropriate disposal mechanism for assets, 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. Auction sales are advertised, with the benefit of being open, competitive and allow for transactions to be completed quickly.
- **Private sale** – where the sale of land is negotiated with an individual or small number of potential buyers at a price agreed between the parties. Private sales may be appropriate in certain circumstances where the buyer has an interest in the property (for example where sitting tenants have security of tenure).

With strategic town centre assets, the Council will look to provide a development brief and criteria to secure a suitable end use within the context of the town centre. Disposal is likely to be by informal or negotiated tender and provides the Council an opportunity to ensure an appropriate end use.

- 2.4 The vacant land sites in Appendix A include sites that have been assessed by officers as being potentially capable of supporting housing delivery.
- 2.5 Within Appendix B there are six agricultural holdings and land lettings that have been identified for disposal. These are subject to Agricultural Holdings Act 1986 or Agricultural Tenancies Act 1995 agreements. As with previous disposals the Council will look to negotiate the disposal of holdings.

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

#### **3.1 Early Intervention and Prevention (EIP)**

The income from capital receipts plays an important role in supporting the Five Year Strategic Investment Plan reducing borrowing, investing in projects and supporting the council financial reserves.

#### **3.2 Economic Resilience (ER)**

The supply of small sites, surplus buildings and leasehold interests provides an opportunity for developers to invest, create jobs and business growth for the Kirklees Economy.

#### **3.3 Improving Outcomes for Children**

The income from capital receipts plays an important role in supporting the Five Year Strategic Investment Plan reducing borrowing, investing in projects and supporting the council financial reserves.

#### **3.4 Reducing demand of services**

As in previous years reducing the amount of surplus assets reduces the Councils maintenance liabilities and financial cost pressures.

#### **3.5 Legal/Financial or Human Resources**

##### **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.

### **Capital**

The capital receipts will support the Five Year Strategic Investment Plan and reduce the costs of new borrowing. If approved, the assets listed in appendices A and B will provide supply for disposals over the next twelve to eighteen months.

### **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 December 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 appendices A and B is in the region of £150k.

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

Simon Taylor	Head of Strategic Investment
Julie Muscroft	Service Director - Legal, Governance and Commissioning

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

### **Ward Member consultation**

As part of the process for all asset disposals all Ward Members affected by proposed disposals were consulted in writing over a two week period. Copies of specific sites within each Ward were sent to the Ward Members.

Some Ward Member responses are set out in Appendix C.

Some Ward Member responses are set out in Appendix D (Private).

The Council has received a petition with 108 signatories in respect of an asset listed in Appendix A. Details of the petition and statements made are contained in Appendix C.

## **5. Next steps**

- 5.1 If approved officers will prepare a programme of disposals and commence marketing of the assets listed in appendices A and B.

## **6. Officer recommendations and reasons**

It is recommended that Cabinet:

- 6.1 Approve the disposal of the assets listed in appendices A and B.
- 6.2 Delegate authority to Strategic Director - Economy and Infrastructure and Service Director - Legal, Governance and Commissioning 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).
- 6.3 Delegate authority to the Service Director of Legal, Governance and Commissioning to enter into and execute any agreements or instruments relating to the disposal of any assets listed in appendix A and B.
- 6.4 The reasons for these recommendations are that:-
  - 6.4.1 the income from capital receipts plays an important role in supporting the Five Year Strategic Investment Plan reducing borrowing, investing in projects and supporting the council financial reserves;
  - 6.4.2 the supply of small sites, surplus buildings and leasehold interests provides an opportunity for developers to invest, create jobs and business growth for the Kirklees Economy; and
  - 6.4.3 reducing the amount of surplus assets reduces the Councils maintenance liabilities and financial cost pressures.

## **7. Cabinet portfolio holder's recommendations**

Councillor Graham Turner (Corporate) 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**

Adele Buckley  
Head of Regeneration and Strategic Assets  
[adele.buckley@kirklees.gov.uk](mailto:adele.buckley@kirklees.gov.uk)  
(01484) 221000

## **9. Background Papers and History of Decisions**

Appendix A- Asset list  
Appendix B- Asset list (Private)  
Appendix C- Ward Member consultation comments and details of the petition  
Appendix D- Ward Member consultation comments (Private)

## **10. Service Director responsible**

Karl Battersby  
Strategic Director, Economy and Infrastructure  
[karl.battersby@kirklees.gov.uk](mailto:karl.battersby@kirklees.gov.uk)  
(01484) 221000

## Appendix A

Ward	Property Name/Address	Brief Description
Almondbury	76-80 Northgate, Almondbury	Vacant commercial property
Almondbury	Benomley Crescent, Almondbury	Former grazing
Almondbury	Clough Hall Lane, Almondbury	Surplus land
Almondbury	Rowley Hill, Fenay Bridge	Former grazing
Almondbury	Stocks Walk Garage Site, Almondbury	Surplus garage site
Almondbury	School Street, Moldgreen	Surplus land
Ashbrow	Fell Greave Road, Bradley	Surplus land. Former grazing
Ashbrow	Station Road/Leeds Road, Huddersfield	Surplus land (former Bradley Nurseries)
Birstall and Birkenshaw	Raikes Lane/The Mount, Birstall	Surplus land
Birstall and Birkenshaw	Smithies Moor Lane, Birstall	Vacant garage site
Colne Valley	Ramsden Mill, Golcar	Vacant grazing
Crosland Moor and Netherton	Netherton Village Hall, Netherton	Surplus property
Dalton	Leeds Road, Huddersfield	Surplus land adjacent to 247
Dewsbury East	770, Leeds Road, Shaw Cross	Former KNH managed property
Dewsbury West	William Street, Ravensthorpe	Surplus land. Former garage site.
Holme Valley South	Former Holmfirth Council Offices, Holmfirth	Surplus building
Liversedge and Gomersal	Pollard Avenue, Gomersal	Surplus land/access. Adjoins former Red House Museum.
Mirfield	Nab Lane/Bank Street, Mirfield	Surplus land
Newsome	Park Lane, Berry Brow	Surplus grazing land
Newsome	Somerset Road, Almondbury	Surplus land adjacent to 148

## Appendix C

### Ward Councillor comments on the Disposal of Surplus Land and Property Assets Cabinet Report – Consultation open until 27 July 2018

#### **Almondbury**

Cllr Alison Munro

Requested a more detailed map for each site.

76-80 Northgate

Presumed this is the post office premises and requested more information. Is opposed to potentially losing the post office in Almondbury which provides an invaluable service for local people.

Clough Hall Lane

Commented that this is a large area of land, presumably in the greenbelt. Asked for more details on how this will be offered for sale. Advised that she will be objecting if the land is being sold for development as prime building land.

Benomley Crescent: former grazing land,

Asked if this land is being sold for development - if so she would like to object.

Rowley Hill, Fenay Bridge: former grazing land:

Requested more information on this site. Presumes it wasn't included in the Local Plan so is in addition to the 850 or so houses proposed to be built in Lepton. Wishes to object and feels that even though development of the site will be low density, the number of houses already earmarked for development in the Local Plan for Lepton and Fenay Bridge is unsustainable in terms of the infrastructure, impact on the environment, impact on air quality from pollution from traffic, impact on the well-being of local residents and impact on the local wildlife network. Advised that a new wall has been built on the bend of Rowley Hill and wondered where access to the site will be gained. Also, at the top of the site a narrow strip of land has been fenced off - will the narrow strip form part of the site? If not potentially third party access will be required to cross that land to gain entry to the site

#### **Ashbrow**

Comments in the private appendix

**Batley East** – no comments received

**Birstall and Birkenshaw** – no comments received

#### **Cleckheaton**

Comments in the private appendix

**Colne Valley** – no comments received

**Crosland Moor and Netherpton** – no comments received

**Dalton** – no comments received

## **Dewsbury East**

Cllr Eric Firth

Asked if this property was used to house the homeless as a temporary measure - is there now no demand?

## **Dewsbury West**

Cllr Darren O'Donovan

Has no issue with taking William Street to Cabinet with a recommendation to sell. Advised that the Shaw Cross site is in Dewsbury East

Cllr Mumtaz Hussain

Has no problem with William Street

**Golcar** - no comments received

## **Greenhead**

Comments in the private appendix

## **Holme Valley South**

Comments in the private appendix

## **Liversedge and Gomersal**

Cllr Lisa Holmes

Asked what the intention is for the land between the Pollards and Red House and why the proposed disposal of the Halifax Road land is a private appendix? Advised that she is already consulting with residents on Pollards and wishes to do the same regarding a site in the private appendix.

Pollard Avenue

Looks to Cllr Holmes and residents that this land could be used for development at some point - it is a big piece of land to just provide an access point on. If it is developed would residents have pedestrian access through to the field between Red House & Gomersal Public Hall?

Is against the disposal as it stands, however, if it were to be approved but written into the Cabinet Report & legal papers that the disposal is only for access and that the land cannot ever be developed then might have less of an objection. Is primarily concerned for residents at Pollard Avenue and for the loss of even more green space in Gomersal. Feels this area of Gomersal will be unreasonably affected should other proposed developments go ahead. Suggested maybe a restrictive covenant on the Land Registry title stating that the land cannot be sold on at a later date separate to the dwelling to which it provides access, and which also states that it can never be built on beyond an access road to the Red House site.

Feels that anyone buying a listed building for a costly conversion into a home wouldn't want entrance to be drive through a housing development. Much prefers the original Oxford Road entrance and would like to know why the Oxford Road entrance can't be 'made fit'.

Asked if the Council is looking to split the Red House Site for sale? (1 - main house & 2 - barn & cart shed)? If so would this just be the access for the barn & cart shed? Couldn't see it providing access to the main house as it's too far away. Asked if the boundary walls of Red House are listed?

Cllr Michelle Grainger-Mead

Was under the impression that Red House site was up for auction in August and asked if this is not the case anymore? If it is, requested more information on date and location and if it will be as one site or two sites. Asked if the Council are you holding off now to try and gain access via Pollard Way to split the site into 2? Alternatively will it be sold on the open market?

**Mirfield**

Cllr Martyn Bolt

Asked if the Town Council can be consulted so that those elected members can also provide comments.

Feels that as the Nab Lane site is subject to ongoing issues with subsidence and any sale should include a condition that this is rectified - which may affect the sale.

This land is subject to an ongoing structural issue with regards to the retaining wall for the land and the impact and effect on the neighbours. Prior to sale or covenanted into the sale should be a requirement to repair the defect. Feels it cannot be passed to a buyer and the existing residents left in limbo

**Newsome** – no comments received

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**PETITION**

**Pollard Avenue, Gomersal**

The Council has received a petition with 108 signatories in respect of the land at Pollard Avenue, Gomersal (Appendix A). The petition states:

- *'I/We the undersigned, petition Kirklees Council Cabinet Members against the land at Pollard Avenue, Gomersal, being considered for disposal prior to Kirklees Council Highways Officers preparing and publishing a report which shows beyond doubt, that the Oxford Road entrance cannot be used to access the Red House site.'*
- *'I/We, further petition Kirklees Council Cabinet Members that if the land is to be disposed and sold on that:-*
  - i. the Red House site should only be sold for residential use*
  - ii. the land at Pollard Avenue must be linked to the Red House site(s) on the Land Registry*
  - iii. a restrictive covenant must be put in place which prevents the land at Pollard Avenue from ever being sold separately to the Red House site(s)*
  - iv. a restrictive covenant should clearly state that the land can only ever be used as a single access to the Red House.'*

In addition to signing the petition three residents made the following specific comments regarding the petition and proposed disposal:

- *'You state that the Red House should only be sold for residential purposes. We would be very concerned if this meant additional buildings within the Red House Grade II\* Listed curtilage.'*
- *'If the Red House is sold for residential purposes why is access from Oxford Road so difficult? Access from Oxford Road is already available to Pollard Hall (six apartments) and was recently agreed for Sainsburys.'*
- *'There is a prospect of alternative access via land between Oxford Road and Pollard Way albeit this would require separate negotiation with the landowners. The land in question has twice been refused planning permission for a dwelling and is not extremely overgrown.'*
- *'Disagree that the Oxford Road entrance does not have sufficient visibility. All types of vehicles used it without issue when the museum was open and the access to Pollard Hall is similar if not worse.'*
- *'What about the bats that live at Red House'.*