

CABINET

DATE	1 st December 2021
REPORT OF	Councillor Stanley Shreeve – Deputy Leader and Portfolio Holder for Finance, Resources and Assets
RESPONSIBLE OFFICER	Sharon Wroot – Executive Director of Environment, Economy and Resources
SUBJECT	Disposal of sites suitable for development across North East Lincolnshire
STATUS	Open
FORWARD PLAN REF NO.	CB 11/21/02

CONTRIBUTION TO OUR AIMS

The disposal of sites across the Borough will facilitate currently obsolete and often problematic pieces of land and provide the opportunity for development, which could include small scale housing sites, being encompassed as garden land or used by the Community, all of which will be an enhancement to the local area.

Any freehold disposal at market value will result in the Council receiving a capital receipt and if sites are developed, using the local market for construction trades, would contribute towards the Council's outcome of 'Stronger Economy'.

If disposals result in a less than best (market) value disposal based on the submission of a detailed Business Case proposal setting out the social, economic and environmental (community) return on investment, this will support the Council's outcome of 'Stronger Communities'. Equally this outcome will be supported by enabling the opportunity for local developers, communities or residents to acquire parcels of land that are otherwise unused, offer no material benefit and may be subject to anti-social behaviour and/ or fly-tipping.

Once disposed, there will be no continued financial constraint on the Council in terms of maintaining the land which will meet our determination to be an efficient and effective Council.

EXECUTIVE SUMMARY

This report seeks authority to consider a number of land sites across our Borough. Each site will be subject to a full appraisal by appropriate workstreams including Estates, Legal, Highways, Planning, Ecology, Grounds Maintenance and Heritage and Conservation to confirm that any proposal to progress a disposal is appropriate and will result in enhancement and if suitable, will be developed in a timely manner. This evaluation process will also include whether there are any byelaws, covenants or restrictions that would prevent disposal or if suitable mitigation against such conditions could still result in sites being improved.

The in-principle approval to the recommendations from Cabinet, if supported, as outlined in this report will allow Officers to consider suitable sites and seek to dispose on an individual or collective basis, approval of which will be delegated to the Executive Director of Environment, Economy and Resources, in consultation with the Deputy Leader and Portfolio Holder for Finance, Resources and Assets

RECOMMENDATIONS

It is recommended that Cabinet:

1. approves the principle of the disposal of sites across the Borough following due consideration by an Officer working group.
2. delegates to the Executive Director of Environment, Economy and Resources, in consultation with the Deputy Leader and Portfolio Holder for Finance, Resources and Assets, authority to identify such sites, settle all terms and ensure that all necessary and reasonable actions are carried out to complete disposal
3. authorises the Assistant Director of Law, Governance and Assets (Monitoring Officer) to complete and execute all requisite legal documentation in relation to the matters outlined above.

REASONS FOR DECISION

There are a number of sites the Council hold which may be subject to anti-social behaviour or fly-tipping and are a size or location that offer no material benefit to the local area. As such, certain sites may be conducive for disposal to facilitate improvement either by developers, adjacent property or landowners or communities for a market value or through a less than best proposal that is sustainable and viable, as outlined through a detailed Business Case which demonstrates the social, economic and environmental (community) benefits.

1. BACKGROUND AND ISSUES

- 1.1 Where the Council are the freehold owners of sites across the Borough, Officers will review opportunities for disposal, ensuring all known details have been appropriately considered and assessed which would allow sites to be marketed on the open market for disposal.
- 1.2 Sites that would be considered would be those that benefit from vacant possession, and which are not reasonably actively used as operational highway, amenity, open space or parks and recreation grounds, yet are simply owned and maintained for a number of years at a cost to the Council with no material benefit to the Borough.
- 1.3 When considering assets, the Council will, where appropriate, ensure any appropriation of sites from their current use will be part of a formal consultation procedure to ensure decision makers consider the loss of any pleasure grounds, public walks and open spaces byelaws. This will be identified as part of the outcome of work across service disciplines in Estates, Legal, Highways, Planning, Heritage and Conservation and Ecology to demonstrate the disposal of the site will not have any detrimental impact on the local community, area or environment.
- 1.4 Further to the above, once identified, sites may be taken forward individually or in tranches for potential redevelopment, increased garden land for adjacent property or landowners or by the community through the Council's approach to Community Asset Transfer (CAT).
- 1.5 Ward Councillors will also be engaged as part of the disposal process.

- 1.6 If the disposal constitutes a “less than best” decision, a further report to Cabinet will be brought forward, such as where interests come forward in lieu of a monetary market value, the social, economic or environmental (community) benefits reflects, as a minimum, the loss of any potential sale value. In such circumstances, a full Business Case will be provided outlining reasons that a market price would impact negatively on the viability of the proposal which may result in the management or ownership of the asset becoming unsustainable.
- 1.7 Any proposed disposal will need to evidence that sites are to be improved as the obligations for maintenance of all aspects will be that of the new owner, as would all future investment opportunities.
- 1.8 The Council must also consider the strategic reasons in holding sites that are unable to be resourced fully to meet full operational use. Any proposal will need to demonstrate that sites will benefit from investment and brought back into full use as these will not have seen effective use in recent years or planned in future years by the Council or its Partners and would benefit from opportunities the market.

2. RISKS AND OPPORTUNITIES

The risk to the Council in progressing with a series of disposals, once Officers have identified and assessed each site, via the open market, is considered minimal given the proposed type, size, and location of the sites. The Council will seek market value from the sites and achieve a capital receipt, where possible, unless there is a social, economic, or environmental (i.e., community) benefit, in which case any interest will be managed as part of the Council’s approach to Community Asset Transfers. Any disposal will ultimately remove the financial commitments of the Council.

Future risks will be passed to and remain with the new owners of the site in respect to the operational costs of maintenance and the obligation of repair and maintenance to an acceptable standard to ensure ongoing use, as well as investment opportunities.

There are currently no identifiable environmental sustainability implications as a result of the proposal, as it is the intention that all sites are considered in view of future use, provides a positive reflection to the street scene and whether this would result in any reduction or loss of natural habitat and advice will be sought as to the necessary balance between development and growth and protecting/ maintaining natural habitat. Any disposal will be progressed based on the intentions of improving and maintaining sites from their current use and any material development will require planning permission where any issues from statutory consultees would be addressed.

3. OTHER OPTIONS CONSIDERED

- 3.1 To do nothing would see the sites continue to be under-utilised and, in some instances, attracting anti-social behaviour and fly-tipping, with all the repair and maintenance obligations and cost resting with the Council. This would continue to be a negative impact to the community. It is not considered a viable option to continue to hold such sites as the Council is limited to be able to improve the maintenance activities or fully manage the sites and the Council risk unnecessary and negative publicity as well as continuing to be wholly liable for

the sites, together with all future associated expenditure including any missed opportunity of investment into potential use and improvements.

3.2 Freehold or Leasehold disposal will be considered on all sites as there may be proposed uses whereby a leasehold disposal would be more appropriate, or if the Council needs to retain a level of control of the use or future requirements of the site.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

There are positive reputational implications for the Council resulting from the decision to support a number of site disposals across the Borough. Sites that offer no positive amenity space to our communities should be offered to the market for disposal – or in the instances where there are adjacent property/ land owners to extend garden land. The Council's communications service have been briefed of the proposal and will issue any information requirements as necessary.

5. FINANCIAL CONSIDERATIONS

The proposal outlined within the report supports the Council's key priorities of 'stronger economy and stronger communities', by enabling local developers, community groups or residents to acquire, use and enhance sites that offer little other benefit, leading to improving the sites for the benefit of the Borough.

The maintenance costs of the sites will be financed through resources obtained by new tenants/ owners. Any future investment will be subject to tenants/ owners using their own resources which will remove the financial commitment from the Council.

Should sites be disposed of at market value, the Council will receive a capital receipt to re-invest in to supporting key schemes as identified in the capital programme. In all cases of a disposal, proposals will result in ongoing annual revenue savings associated with holding the sites vacant. This is consistent with the Council's policy to contribute to improved value for money and supports the financial objective and our determination to be an efficient and effective Council.

6. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

The recommendations outlined within this report have been considered so far as their impact of the proposal on climate change and the environment. In reference to the Council's environmental policy, the proposal supports the Council's environmental priorities:

- By recognising and realising the economic and social benefits of a high-quality environment.
- By working towards a low carbon North East Lincolnshire that is prepared for, and resilient to, the impacts of climate change.

7. CONSULTATION WITH SCRUTINY

Economy Scrutiny have been consulted at their meeting of the 26th October 2021.

8. FINANCIAL IMPLICATIONS

Disposals of land will generate capital receipts that can be reinvested into the Council's Capital investment Programme, and it will also help reduce/remove ongoing maintenance and running costs on the respective sites.

Each site proposal will be reviewed on their own merits.

9. LEGAL IMPLICATIONS

The Executive Director for Environment, Economy and Resources already enjoys established constitutional authority within the Officer Scheme of Delegation to either acquire or dispose of land and property, subject to consultation with appropriate portfolio, and, where a key decision or less than best, to refer the matter to Cabinet.

Accepting that the values of the type of sites mentioned in the above report are highly unlikely to reach key decision threshold (£350k), the report seeks to enable the Executive Director for Environment, Economy and Resources to dispose of such sites with discretion to consolidate them into a package of sites (where appropriate and desirous) which may take the transaction value above £350k. The portfolio holder (and ward councillors) will be engaged, ensuring democratic oversight.

In the event of a less than best disposal a report will be brought to Cabinet in the usual fashion.

All delegated decisions will be captured by an Officer Decision Record.

10. HUMAN RESOURCES IMPLICATIONS

There are no direct HR implications

11. WARD IMPLICATIONS

This proposal impacts all Wards.

12. BACKGROUND PAPERS

There are no background papers to this report.

13. CONTACT OFFICERS

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