

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL
EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE
CABINET

16th September 2015

1. ASSET DISPOSALS – LAND AT DEANS LANE, RED STREET

Submitted by: Property Manager
Portfolio: Town Centres, Business and Assets
Ward(s) affected: Chesterton

Purpose of the Report

- i) For Cabinet to consider the comments received from the public following the consultation in respect of the land at Deans Lane, Red Street, along with desktop technical information.
- ii) To seek approval to secure specialist planning consultants to prepare and submit a planning application in respect of this site.

Recommendation

- (a) That Members approve the disposal of the land at Deans Lane, subject to having first secured an outline planning permission for this area of land.**
- (b) That Members approve the procurement of specialist consultants to prepare and submit a planning application in respect of this site.**

Reasons

The land at Deans Lane has been identified in the Asset Management Strategy 2015/16 – 2017/18 as a site in respect of which alternative uses should be explored as it no longer serves any strategic or operational purpose to the Council. In addition, by disposing of this asset the Council removes any potential ongoing maintenance liabilities.

Equally (importantly), the capital receipt derived from the disposal of this Council-owned land is required to support the funding of the Council's currently-approved Capital Programme. It is important that members are in a position to receive timely reports in such matters to ensure capital funding availability to allow purchasing decisions to be taken on items such as refuse/recycling fleet vehicles, play area maintenance and disabled facilities grants.

1. Background

- 1.1 The revised Asset Management Strategy was approved by Cabinet on 14th January 2015. This document contained a list of sites in appendix 1 where approval has been previously granted to dispose (the tranche 1 sites were considered at your Cabinet meeting in June 2014 and tranche 2 sites on the 12th November 2014). Appendix 2 (of which Deans Lane forms part) contained a list of sites where options for alternative uses were to be considered.
- 1.2 In October 2014 Cabinet resolved that as first resort, the Council will seek to fund its future known capital programme needs through the annual Asset Management planning process by the identification of land or property in its ownership that is capable of, and appropriate

for, disposal. The estimated funding requirement for the Council's Capital Programme as set out in the Asset Management Strategy for the next three financial years from 2015/16 is approximately £14.5m.

1.3 A desk top assessment (including a mining report) has been produced in respect of this site which has not brought to light any significant technical constraints (which may inhibit alternative future use or development).

1.4 **Future sites**

The Asset Management Strategy 2015/16 – 2017/18 also identified two further sites (subject to the outcome of the Playing Pitch Strategy 2015-2020) where alternative uses were to be explored. The Playing Pitch Strategy was formally approved in June 2015 and it identified sites at Sheldon Grove, Chesterton and Knype Way, Bradwell as ones no longer being required as playing pitches. The public consultation in respect of these sites ended on 17th August and the results will be reported to a future cabinet which is anticipated to be in October 2015.

2. **Community Consultation**

2.1 The public have been consulted in respect of the site, over a six week period which ended on 3rd August 2015. This took the form of letters being sent to the relevant ward councillors, all owners/occupiers whose properties were adjacent to the site (when footpaths and roads were excluded), Chesterton Community Forum and the relevant LAP. Notices were also placed on the site.

2.2 Set out below is a summary of the comments:

Summary of consultation comments	Outcome of desktop assessment and response to consultation comments
Site has accommodated horses for a number of years	Comment noted
Effects on the wildlife, e.g. birds	These issues will be considered at the planning stage
Residents loss of privacy and views will be affected. Disruption/impact to adjacent owners (some of whom are elderly)	These issues will be considered at the planning stage
Increased traffic, and concerns where site should be accessed from. Concerns regarding contractor vehicles on the narrow lanes	These issues will be considered at the planning stage
Clay/water issues on the site, excess water from the site runs into the gardens on Walkers green Road	Although the site is in an area underlain by clay, the Coal Authority think it is unlikely that it will cause any ground movement
Increase in school pupil numbers	This will be considered at the planning stage
Asset Management Strategy should focus on sites in need of regeneration/densely populated areas/no	Comments noted. The land is not located in the greenbelt and does not form part of the Green Space Strategy. It is currently

<p>major impact on the greenbelt. All avenues for capital generation have not been exhausted. Council has other sites that are financially more burdensome. Land available that would have less impact on the community</p>	<p>let on a grazing licence with limited financial return. It is not considered to have any strategic or operational purpose</p> <p>Potential Technical Constraints:</p> <p>The Phase 1 Environmental Assessment has identified one coal seam running through the site and one on the edge of the site. This should not prevent development but is likely to increase the development costs.</p>
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- 2.3 The primary aim of the consultation was to identify any issues that are likely to impact upon the developability of the site. As the table above shows, the issues raised are, in the main, ones which can and should most appropriately be considered more fully as part of the planning process.

3. **Options Considered**

- 3.1 Option 1 – retain the site within the Council’s portfolio.

If the Council retains this asset then there may be an ongoing maintenance cost associated with this site. In addition, neither a capital receipt nor best consideration will be achieved thereby undermining the Council’s ability to fund its Capital Investment Programme and potentially jeopardising essential services.

- 3.2 Option 2 – Dispose of the site and procure specialist consultants to prepare and submit a planning application in respect of this site.

If the site is disposed of, with the benefit of planning permission, then the highest possible capital receipt will be realised which can contribute towards the works/schemes identified in the Newcastle Capital Investment Programme to assist the Council in achieving its corporate and service objectives.

In addition, the release of this site for housing development would contribute to the supply of housing land and meet broader housing provision objectives.

- 3.3 Option 3 – dispose of the site without the benefit of planning permission.

It is considered likely that the value of the capital receipt would be substantially reduced, therefore not achieving best consideration.

4. **Proposal**

- 4.1. Option 2 is proposed as outlined above.

- 4.2 At November 2014 Cabinet, Members approved that specialist consultants be procured to prepare and submit planning applications in respect Sandy Lane, May Bank, Market Drayton Road Loggerheads and Eccleshall Road, Loggerheads. It is proposed that specialist consultants be procured on the same basis in respect of the Deans Lane land and if

planning permission is granted the land be disposed of. Members are advised that this site lies in a location that is broadly compliant with current planning policies relating to housing development.

5. **Reasons for Preferred Solution**

- 5.1 The land at Deans Lane is considered to have better alternative uses and does not serve any strategic, operational or other purpose to the Council therefore, if this asset is retained there may be an ongoing maintenance liability to the Council. In addition, the Council needs to proactively generate its own capital to fund the Newcastle Capital Investment Programme.

6. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

- 6.1 The disposal of this surplus asset enables the achievement of priority outcomes in all four of the Council's Corporate Priorities.

7. **Legal and Statutory Implications**

- 7.1 The Council has a duty, both fiduciary and operationally, to utilise its Assets for the benefit of the community.
- 7.2 The Local Government Act 1972 (as amended) – Section 123 - the Council has a duty to achieve best consideration when disposing of its assets.
- 7.3 The Local Government Act 2000 - powers to promote the economic, social and environmental wellbeing of the Borough.

8. **Equality Impact Assessment**

- 8.1 There are no issues arising from this report.

9. **Financial and Resource Implications**

- 9.1 It is estimated that the disposal of the land listed in Appendices 1 and 2 of the Asset Management Strategy 2015/16-2017-18 will generate in the region of £16m (subject to planning permission being granted, there being no significant abnormal cost and the site selling at open market value) which has been earmarked to fund the known capital spending requirements as set out in the current 3-year Capital Programme. The sale of the Deans Lane land will contribute towards this overall capital receipt.
- 9.2 As stated in paragraph 2.3 of this report it is proposed that specialist consultants be procured to prepare and submit a planning application in respect of Deans Lane. At your November 2014 meeting a sum of £432,000 was approved to fund the costs associated with submitting the planning applications in respect of the tranche 2 sites. It is considered likely that there is sufficient headroom in this budget allocation to meet the planning costs associated with the disposal of the Deans Lane site.

10. **Major Risks**

- Loss of income to the council (Capital Receipt)
- Increased revenue expenditure for the council
- Reputational damage to the council
- Inability to implement the Council's Asset Management Strategy 2015/16 – 2017/18
- Community and/or political resistance to the land sale

- Inability to fund essential Council services as set out in the current Capital Programme.
- The estimated capital value is based on the assumption that there are no significant abnormal costs associated with making this land/site developable

11. **Sustainability and Climate Change Implications**

11.1 Any issues will be considered through the planning process.

12. **Key Decision Information**

12.1 The report is referred to in the Forward Plan

13. **Earlier Cabinet/Committee Resolutions**

13.1 Cabinet 18th June 2014 – Asset Disposals
Cabinet 15th October 2014 – Newcastle Capital Programme funding
Cabinet 12th November 2014 – Asset Disposals
Cabinet 14th January 2015 – Asset Management Strategy

14. **List of Appendices**

14.1 Plan of site.

15. **Background Papers**

Asset Management Strategy 2015/16 – 2017/18 available from the Council's website
Plan of the site – available on request from the property section
Consultation letters and background information – available on request from property section
Previous Cabinet/Committee reports (see 13 above)