#### **NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

#### **EXECUTIVE MANAGEMENT TEAM'S REPORT TO CABINET**

## Date 17<sup>th</sup> January 2018

1. HEADING Asset Management Strategy and Delivery Plan

Submitted by: Leader of the Council and Portfolio Holder for Finance and

Resources

Portfolio: Finance and Resources

Ward(s) affected: All

## **Purpose of the Report**

To determine the preferred approach with regard to the Council's Asset Management Strategy.

#### Recommendations

- (a) That Members accept the reasons for the call-in made following the decision of the previous Cabinet and rescind that decision with immediate effect.
- (b) That officers be asked to bring an updated Asset Management Strategy to a future Cabinet after the completion of the Stock Condition Review and the consultation on the Joint Local Plan Preferred Options Document.
- (c) That officers continue to focus on marketing the large sites that have the benefit of resolutions to grant planning permission with a view to achieving their disposal at the earliest opportunity.

#### Reasons

- (a) There has been a change in the Administration since Cabinet approved the report on 8<sup>th</sup> November 2017.
- (b) There was a "call in" of this report which should have been considered by the Economic Development and Enterprise Scrutiny Committee on 7<sup>th</sup> December 2017 but this was withdrawn.
- (c) The recently commissioned Stock Condition Review will not be completed until April/May 2018.
- (d) The Joint Local Plan Preferred Options Document is due to be the subject of a public consultation exercise in February 2018 and should provide some key pointers in respect of Council-owned land.

### 1. **Background**

- 1.1 The adopted Asset Management Strategy 2015/16-2017/18 was approved in January 2015 and has been the subject of reviews / updates by Cabinet in January 2016 and January 2017.
- 1.2 The previous Cabinet at its meeting on 8<sup>th</sup> November approved a further update to the Asset Management Strategy and Delivery Plan and agreed in principle to the disposal of the sites set out in Appendix 1 with the following decision:

- (i) That Cabinet approves the updated Asset Management Strategy and Delivery Plan and agrees in principle to the disposal of the sites set out in Appendix 1, subject to the relevant consultations being carried out and the outcomes being reported back to Cabinet.
- (ii) That officers take the appropriate steps to protect the Councils interests in respect of all its land.
- (iii) That officers be authorised to take appropriate steps to achieve the principle of residential development of the subject sites prior to any disposal
- (iv) That the Leader of the Council writes to the relevant Government Minister or Department to highlight the issues caused by undetermined applications for Village Green status and urging further legislative changes and/or guidance to achieve a better balance between the interests of land owners and other interested parties. A copy of this letter to be sent to the 4 MPs serving the Borough asking them to raise this issue in Parliament.
- 1.3 The decision was called in by 6 members including Councillors Simon Tagg; Stephen Sweeney; Mark Holland and Trevor Johnson on the grounds that the decision has demonstrated a significant adverse public reaction and on the basis that Cabinet has failed to take into account the following:
  - The value of green spaces within local communities.
  - The need for fairness, transparency and consistency in decision-making.
  - The recommendations of the Assets Policy Committee. Particularly recommendation (f) relating to a comprehensive area review process.

The call-in members also urged the previous Council Leader, Deputy Leader & Cabinet to accept that Village/Town Green Status legislation was put in place to protect local communities from loss of locally valued green space and to preserve it for future generations (see Appendix 2).

- 1.4 The "call in" was subsequently withdrawn from the Economic Development and Enterprise Scrutiny Committee on 7<sup>th</sup> December 2017 because of the timing of the change in administration at the Council.
- 1.5 The Council has commissioned a comprehensive Stock Condition Review in autumn 2017 with the aim of establishing an up to date baseline of information regarding the condition of its commercial and operational estates. This review is expected to conclude around April / May 2018.
- 1.6 The emerging Joint Local Plan has now reached the Preferred Options stage and public consultation in this regard is scheduled to take place in February 2018. This will include consideration of a number of Council-owned parcels of land.

# 2. Issues

2.1 The current Strategy runs up to the end of March 2018. A programme of land disposals is now gaining momentum with four of the largest sites now having the benefit of planning permission. These sites are being actively marketed and are the subject of interest from developers. It is hoped that these sites will be disposed of during the next financial year thereby generating capital receipts to help fund the Council's capital programme.

- 2.2 The main considerations for the Council in terms of future land disposals are referred to above; namely the Stock Condition Review and the Joint Local Plan. Officers consider that it would be premature to bring forward any further parcels of land for disposal at this stage in the absence of information to be derived from these key pieces of work.
- 2.3 Nevertheless it remains important for the Council keeps the momentum going in relation to those large sites already made available for disposal by the previous administration (and that have the benefit of resolutions to grant planning permission) in order to provide funding for the Council's capital programme.
- 2.4 In addition Members of the new Administration will need to consider whether they are happy with the current Asset Management Strategy in respect of land disposals (including the most recent updates made by the previous Cabinet at its meeting on 8 November, relating to the inclusion of three further sites in the disposal programme) or whether they wish to rescind that decision.

## 3. **Proposal and Reasons for Preferred Solution**

- 3.1 On balance it is considered that the prudent approach would be to progress with the marketing and disposal of the sites that currently have the benefit of planning permission and that officer's report back once the outcome of the Stock Condition Review and the Joint Local Plan Preferred Options Document are known.
- 3.2 In addition Members of the new Administration consider that the most recent update to the current Asset Management Strategy made by the previous Cabinet at its meeting on 8 November (relating to the inclusion of three further sites in the disposal programme) should be rescinded for the reasons cited at paragraph 1.3.

#### 4. Outcomes Linked to Sustainable Community Strategy and Corporate Priorities

4.1 The disposal of surplus assets enables the achievement of priority outcomes in all four of the Council's Corporate Priorities.

### 5. **Legal and Statutory Implications**

- 5.1 The Council has a duty, both fiduciary and operationally, to utilise its Assets for the benefit of the community.
- 5.2 The Local Government Act 1972 (as amended) Section 123 the Council has a duty to achieve best consideration when disposing of its assets.
- 5.3 The Local Government Act 2000 powers to promote the economic, social and environmental wellbeing of the Borough.
- 5.4 The Council has a legal duty in respect of unauthorised access to sites under the Occupiers Liability Acts of 1957 and 1984.

## 7. Equality Impact Assessment

7.1 The Asset Management Strategy does not create any specific equality impacts.

#### 8. Financial and Resource Implications

8.1 Disposal of surplus Council land should generate capital receipts to fund the Capital Programme and reduce maintenance liabilities.

8.2 In the event that Members opt to not dispose of any surplus sites, no capital receipts will be generated and the maintenance liabilities remain.

## 9. Major Risks

9.1 The identification of a site for disposal does not mean that the site will be sold as there is a risk that there is no suitable market interest. The Council could therefore continue to hold liabilities for these sites and the consequent revenue expenditure. Lack of land sales would create a loss of income to the Council and therefore impact on the Council's ability to deliver essential Council services. The delivery of the Asset Management Strategy brings risks of community and/or political resistance to the land sales and potentially reputational damage to the Council. Equally the failure to bring surplus land forward for disposal and future development puts pressure on the local planning authority to find alternative land to meet future development requirements.

## 10. Key Decision Information

10.1 The Strategy affects more than 2 wards and future disposals have the potential to generate more than £50,000 and resources are required to seek planning permission for the development of the sites in advance of any disposals.

#### 11. Earlier Cabinet/Committee Resolutions

- 11.1 The current Asset Management Strategy 2015/16 to 2017/18 was adopted by Cabinet on 14 January 2015 and reviewed by Cabinet in January 2016 and 2017.
- 11.2 Update on Asset Management Strategy and Delivery Plan Cabinet item 8<sup>th</sup> November 2017.

#### 12. List of Appendices

- 12.1 Appendix 1 Asset Management Strategy Delivery Plan that was approved at 8<sup>th</sup> November 2017 Cabinet.
- 12.2 Appendix 2 the call-in request form dated 17th November 2017.

# 13. **Background Papers**

13.1 The adopted Asset Management Strategy is available at: <a href="https://www.newcastle-staffs.gov.uk/sites/default/files/IMCE/YourCouncil/A\_to\_Z\_Policies/Assets\_Management\_Strategy.pdf">https://www.newcastle-staffs.gov.uk/sites/default/files/IMCE/YourCouncil/A\_to\_Z\_Policies/Assets\_Management\_Strategy.pdf</a>