

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

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

01 December 2020

Report Title: Land at Market Drayton Road, Loggerheads

Submitted by: Executive Director - Commercial Development & Economic Growth – Simon McEneny, Property Manager – Louise Beeby

Portfolios: Planning and Growth

Ward(s) affected: Loggerheads

Purpose of the Report

To consider a disposal, by way of a long lease, of land at Market Drayton Road, Loggerheads to Loggerheads Parish Council

Recommendation

That Cabinet

- 1. Authorises the disposal of this land, by way of a long lease, to Loggerheads Parish Council for £1.**
- 2. Authorises the Executive Director – Commercial Development and Economic Growth, in consultation with the Portfolio Holder, to agree the terms and conditions of this lease with Loggerheads Parish Council.**

Reasons

The Parish Council wish to proceed with community facility investment on land in its boundary and in order to secure funding a long term lease is required for the funding bodies to agree to fund any projects.

1. Background

Land at Market Drayton Road, Loggerheads shown edged red and hatched blue on the attached plan, which measures some 11.50 acres, was approved in the Asset Management Strategy 2018-2022 as a surplus site for disposal. This is shown on the attached plan highlighted in a hatched area.

In September 2017 Planning Committee granted outline planning permission (OPP) for 65 dwellings in respect of the land edged red only (8.87 acres). The area hatched blue (2.63 acres) was not included in the application as it was beyond the built up area of the village of Loggerheads.

Loggerheads Parish Council have requested that the land hatched blue be sold to them for £1 to use for community and sporting purposes.

2. Issues

The Loggerheads Neighbourhood Plan identifies that there is a need for community and sporting facilities within the Parish of Loggerheads and the area hatched blue is designated as recreational land in this Neighbourhood Plan.

If the Parish Council acquired this land either freehold or by way of a long lease then it would enable them to apply for funding to provide community and sporting facilities in Loggerheads that could be used by the local people.

If the land was disposed for a peppercorn sum the Borough Council would forego a potential capital receipt as the land could be marketed for sale for agricultural purposes. The estimated capital value of this land is in the region of £30,000.

3. **Proposal**

That Cabinet agree to dispose of the land hatched blue on the plan to Loggerheads Parish Council by way of a 99 year lease for a peppercorn rent with a covenant that the land could only be used for community, sporting and recreational purposes to include the erection of a pavilion/changing rooms. The Borough Council would also have the right to terminate the lease if the land was to be used for any other purpose than the proposed use.

4. **Reasons for Proposed Solution**

The Parish Council wish to proceed with community facility investment on land in its boundary and in order to secure funding a long term lease is required for the funding bodies to agree to fund any projects.

5. **Options Considered**

Do nothing was not accepted as this route would not see any community facilities come forward on the land as desired by the Parish Council

Sale of the land to the Parish Council for the full market value – unfortunately the Parish do not have the funds for such a purchase and again as with above this route would not see any community facilities come forward.

6. **Legal and Statutory Implications**

In accordance with Section 123 of the Local Government Act 1972, the Council has a duty to achieve best consideration for its assets. In this case, in order to comply with that requirement, it should achieving a receipt in the region of £30,000. However, the Council can dispose of its land for less than best consideration where it considers doing so would further the achievement of the economic, social or environmental well-being of the borough. Disposal at an undervalue for the reasons proposed would meet this exception, but the council must ensure adequate safeguards are put in place to ensure that the land is, within a reasonable time, put to such a use (and thereafter kept in that use). The council must also ensure that if this use ceases, it is able to re-take control of the land and/or recover any difference or uplift in value if the land is sold on to a third party or put to some other use. The Council will also have to be mindful of any liabilities it may inherit and/or ongoing revenue implications it may incur in respect of anything undertaken on or in the land if the land then reverts to the councils' ownership/control. These issues are most commonly dealt with through lease clauses, covenants and overage/claw-back provisions.

7. **Equality Impact Assessment**

Not applicable

8. **Financial and Resource Implications**

If the land is leased to Loggerheads Parish Council then the Borough Council would be forgoing a potential capital receipt. By selling this area of land for agricultural purposes, it would generate a capital receipt in the sum of circa £30,000 which would contribute towards the delivery of the Councils' Capital Programme. If sold for development it would generate a substantially higher capital receipt.

9. **Major Risks**

Delivery of the community facilities might be delayed due to funding availability being small or hard to obtain and the land does not get developed as hoped by the Parish Council. The Lease will contain a reversion clause that will see the land transfer back to the Borough Council if the Parish Council plans do not materialise.

10. **Sustainability and Climate Change Implications**

Any issues will be considered through the planning process.

11. **Key Decision Information**

The report is referred to in the forward plan

12. **Earlier Cabinet/Committee Resolutions**

12th September 2018 – Asset Management Cabinet report

13. **List of Appendices**

Plan of Land in Loggerheads

14. **Background Papers**

Not applicable