



AGENDA ITEM: 5(f)

CABINET: 17th September 2013

Report of: Assistant Director Housing and Regeneration

Relevant Managing Director: Managing Director (Transformation)

Relevant Portfolio Holder: Councillor A Owens

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SUBJECT: STRATEGIC ASSET MANAGEMENT PROJECT

Borough Wide Interest

1.0 PURPOSE OF THE REPORT

- 1.1 To update Members on the progress of the Strategic Asset Management Project; to advise on the outcomes of the Skelmersdale North ward, and sites at Station Approach and Churchfields in Ormskirk; and to seek authority to dispose of assets.
- 1.2 To note that slippage will occur in relation to the Ward Map Delivery Plan to allow for work on the Employment Area Remodelling Project to proceed.

2.0 RECOMMENDATIONS

- 2.1 That the contents of the report, including the work undertaken by officers to date, and the progress on the assets previously identified for disposal be noted.
- 2.2 That the Assistant Director Housing and Regeneration be authorised to take the actions recommended in Appendix A, B and C in relation to the 93 sites in the Skelmersdale North ward together with the 2 Churchfields, Ormskirk, which is an opportunity site.
- 2.3 That the sites set out in Appendix D that are no longer required for their current uses as set out in that Appendix be appropriated as required for regeneration purposes for the reasons set out in the report.
- 2.4 That the Assistant Director Housing and Regeneration be authorised to take all necessary steps to appropriate the sites referred to in Appendix D and sign the memoranda of appropriation.

- 2.5 That planning permission be sought for residential development on land off Station Approach, Ormskirk, together with improvements to the capacity of the Ormskirk railway station car park and recreational improvements to the adjacent woodland area, as detailed in paragraph 4.3.
 - 2.6 That if planning permission is granted for the development, a report be presented in the future to include detailed options for the long term management of the car park and the nature reserve and the disposal of the residential site.
 - 2.7 That an appropriate amount of the capital receipt for the sale of the residential land referred to in 2.6 above be set aside to undertake the improvements to the capacity of the Ormskirk railway station car park, together with ecological and recreational improvements to the adjacent woodland area.
 - 2.8 That the decision to determine the appropriate amount to be set aside for the improvements be delegated to the Assistant Director Housing and Regeneration, in consultation with the Portfolio Holder for Housing (Finance), Regeneration and Estates and the Portfolio Holder for Resources and Transformation
 - 2.9 That the sites set out in Appendix E be re-categorised to category 2 given the recent decision made by the Homes and Communities Agency with regards to Clawback, as detailed in paragraph 4.7.
 - 2.10 That it be acknowledged that there will be some slippage in the previously agreed Ward Mapping Delivery Plan to allow for work on the Employment Area Remodelling Project to proceed.
 - 2.11 That funding of £10,000 be made available from contingencies to enable sites designated in previous reports as '1 – Seek to Dispose' along with those identified in Appendix A, to be progressed further as detailed in paragraph 8.2.
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3.0 BACKGROUND

- 3.1 The Strategic Asset Management Project commenced in September 2010 and to date asset reviews have been completed for the following wards:

Burscough West	Ashurst
Knowsley	Parbold
Wrightington	Digmoor
Birch Green	Scarisbrick
North Meols	Aughton & Downholland
Newburgh	Derby

- 3.2 Some of the assets have development potential and, where appropriate, planning applications have been submitted to secure their enhanced value. To ensure there is no delay in marketing sites with an enhanced value anticipated to exceed the current delegation level of £20,000, authorisation for disposal has been sought as each ward is referred to Cabinet.

- 3.3 At the Cabinet meeting on 12th January 2012, a Ward Mapping Delivery Plan was approved. In this Plan, the next ward to be considered is Scott.

4.0 CURRENT POSITION

4.1 Skelmersdale North & Industrial Estate Remodelling

The Skelmersdale North ward required the assessment of 93 sites. The results are set out in Appendix A. There are a number of sites with potential for alternative uses, including residential development. In total 14 sites have been identified for disposal. The ward also includes a number of assets within the Stanley and Gillibrands Employment Areas. In the main these sites have been categorised as category 3 and have not been appraised as part of the SAMP process. This is because a separate detailed study is required into the potential of existing employment areas to deliver 22 ha of additional land through the remodelling, redevelopment and regeneration of existing vacant and under used sites (as agreed in the West Lancashire Replacement Local Plan 2012 – 2027).

- 4.2 The study work will need to examine both Council owned land within the industrial estates as well as privately owned sites that are underutilised, and as such will need to go further than the usual SAMP approach. As such the large industrial estates in Skelmersdale will be essentially taken out of the SAMP and dealt with separately. It will include assessments of the potential for the rationalisation of Council owned assets and possible partnership arrangements with private landowners to enable larger sites to be assembled and brought forward. It will also inform how WLBC assets in employment areas are categorised and, where appropriate, further authority will be sought to dispose of sites in the future. Given that this work will be similar to that being undertaken under the SAMP process, it is envisaged that the task should be undertaken by the SAMP team along with other Officers within the Economic Regeneration Team, in parallel with their existing activities, along with potential additional assistance as required from the Planning Service, the County Council and external assistance if required. It is inevitable, however, that this will result in some slippage to the previously agreed Ward Mapping Delivery Plan. However to ensure that works still continues on the SAMP, all be it at a slower pace, one member of the SAMP team will continue to work primarily on this activity.

- 4.3 Currently work is being undertaken on producing a garage strategy across the Borough. To date a stock survey has been completed and the findings of this along with proposed recommendations will be presented to Members at a later date. Within the Skelmersdale North ward alone there are a high number of Council-owned garages and this was the same within the Digmoor and Birch Green Wards. Given that the emerging garage strategy will inform the future disposal, if any, of the current garage stock, the vast majority of garages within Skelmersdale North have been categorised as 3's. However, as a development opportunity currently exists at present for a partly vacant garage court at 185 Windrows, authority is sought to dispose of this site to test the market.

4.4 Station Approach, Ormskirk

When Cabinet considered the Derby ward last January, the future of land at Station Approach, Ormskirk was deferred to allow the preparation of a separate report. The land in question comprises the Council owned car park at Ormskirk Station; an extensive area of woodland to the north (which is a designated nature reserve); and a parcel of land between the woodland and the grounds of Ormskirk C of E Primary School (see Appendix F). Although protected from

development, the latter area has some potential for residential development if it can be demonstrated that significant benefits to the local community will arise in ecological, recreational and/or social and economic terms. To achieve such benefits, it would be necessary to reinvest some of the capital receipts on improvement schemes e.g. upgrading the habitat and the recreational potential of the nature reserve, and the provision of additional car parking facilities (in conjunction with and jointly managed by Merseyrail) for users of the Station. At this stage, it is not possible to determine how much of the capital receipt would be required for such improvements but it is likely to be a significant amount.

4.5 To progress this matter, it will be necessary to detail a package of improvement measures and to make a pre-planning application submission for the scheme. If a favourable response is received, a formal planning application would follow. Members should be aware that a planning permission is likely to involve a legal agreement (section 106) to secure the full implementation of the improvements.

4.6 Other sites

Since the March 2013 Cabinet Meeting work has been continuing on sites previously approved for disposal. This can be summarised as:

- Planning permission has been granted on two sites; Land adjacent to 49 Hoole Lane in Banks and Land adjacent to 47 Witham Road in Skelmersdale.
- The site on Hoole Lane has recently been marketed and a sale has been agreed.
- The sale of a site previously approved for disposal at Elmers Green Lane in Skelmersdale has recently been completed.
- Planning applications have recently been submitted for residential developments on 2 sites in the Birch Green and Ashurst Wards – at Flordon and Marlborough Court.

4.7 Clawback

Members may be aware that a number of assets within the Councils' ownership are subject to a clawback payment to the Homes and Communities Agency (HCA) if the assets are sold on the open market. There are assets of this type within the Skelmersdale Wards and 4 such sites have previously been approved for disposal. Written communication between the Council and HCA has taken place over recent months to determine whether or not the HCA would reduce the percentage of clawback on sites we wish to dispose of as at present it stands at 52% with a yearly decrease of 2%. As explained to the HCA, it is felt that these assets would, once developed, help to regenerate the wards which they are in and also act as catalysts to further development. However, the HCA have maintained their stance and are not willing to reduce the percentage of clawback. Therefore, it is necessary to re-categorise the previously identified category 1 assets to category 2, as set out in Appendix D. This will allow for the sale of these sites to be re-examined in the future when the clawback % is further reduced.

4.7 Opportunity Site

As previously reported, there will also be 'opportunity sites' when sites outside the ward being reviewed require consideration e.g. if an enquiry to purchase is made. Rather than lose a potential capital receipt, such sites will be considered alongside, and in a similar manner to, the wider programme of Asset

Management. One such site is 2 Churchfields, Southport Road in Ormskirk (see Appendix G). Previously the asset had been appraised with the adjacent Civic Hall in September 2011. However given the current decision made regarding the long term future maintenance and use of the Civic Hall, this adjacent site can now be realised for disposal. This land has several development and disposal options and has been identified as a category 1 site

5.0 APPROPRIATION

5.1 The current uses of some of the sites considered under the SAMP process do not provide the best use of the land/buildings. Many of these sites could be better utilised for alternative purposes, as defined in the SAMP process. These include those sites set out in Appendix D. It will be necessary to appropriate most of these sites from their current use as set out in Appendix D to regeneration purposes.

6.0 PROPOSALS

6.1 Appendix A sets out recommendations for the 93 sites in Skelmersdale North

6.2 Officers will continue to spend time working on the assets identified within the ward to progress to pre-application and planning application stages.

6.3 In accordance with the previously agreed Ward Mapping Delivery Plan, the next ward to be considered is Scott.

7.0 SUSTAINABILITY IMPACTS

7.1 The outcomes of the Strategic Asset Management Project and the nature of any schemes that come out of this project will ultimately ensure a number of key objectives of the Community Strategy are met, including affordable housing, young and older people, the economy and jobs and better environment, plus cross cutting themes such as reducing deprivation in our communities.

8.0 FINANCIAL AND RESOURCE IMPLICATIONS

8.1 Securing the enhanced valuation of assets to be disposed will continue to require resources e.g. planning application fees, surveys etc. It was reported at the last Cabinet that as a long term measure there will be a need to pump prime the project by the retention of a small percentage of future capital receipts or a budget being made available from revenue resources.

8.2 To date approximately £13,600 has been spent out of the current allocation of £20,000. The planning system promotes, in many cases, the submission of formal pre-application advice prior the making of a formal planning application. A fee is attracted to this and the same level of detail is often required as for a formal planning application in terms of surveys and assessments. Hence the remaining £6400 will not be sufficient to allow the continued disposal of assets with an enhanced value for a pro-longed period of time. I would ask that a further £10,000 be allocated for this project to allow the continued roll out of sites for disposal.

- 8.3 With regard to staff resources, as noted in 4.1, it is envisaged that the SAMP team will be heavily involved in the assessment of the potential for remodelling existing employment area across the Borough.

9.0 RISK ASSESSMENT

- 9.1 As previously reported, the project has demonstrated that many of the assets held by the Council have the potential for development or for utilising in a different way. If this potential is realised, their value will be significantly enhanced either financially or as benefit to the community. There will be opportunities in some cases to generate capital receipts from their disposal. If the assets are not considered in a timely fashion, taking into consideration other development such as Skelmersdale Town Centre project, this could represent a significant loss of capital receipts for the Council or the reduction in value if a successful adverse possession claim is made by a third party.

10.0 CONCLUSIONS

- 10.1 It is important to continue to roll out the Strategic Asset Management Project across the Borough to enable all assets to be identified and assessed, but equally officers need to spend time working on assets categorised as 1 for pre-applications and planning applications. The project will ultimately ensure the asset register is fully up to date and the ownership of all the assets is challenged to determine those that are suitable for further development are identified and progressed. The study work required to specifically consider the remodelling potential of the industrial areas in Skelmersdale will assess both public and private sector land and will ensure that the Council maximises opportunities for the creation of new employment sites to allow business expansion and growth, and meet the objectives of the new Local Plan.

Background Documents

West Lancashire Strategic Asset Management Plan, which is available at:
www.westlancs.gov.uk/living_in_west_lancs/regeneration_projects/action_plans.aspx

Equality Impact Assessment

The previous Equality Impact Assessment undertaken for the Cabinet report prepared for the September 2010 meeting will suffice for this report as the content of the project remains the same.

Appendices

- Appendix A - Skelmersdale North asset recommendations
- Appendix B - Location plans of Category 1 sites
- Appendix C - Knowsley Recommendations
- Appendix D – Land to be appropriated
- Appendix E – Clawback sites to be re-categorised
- Appendix F - Land ownership plan of Station Approach, Ormskirk
- Appendix G – Land at 2 Churchfields, Ormskirk