



AGENDA ITEM: 6(i)

CABINET: 16th June 2015

Report of: Assistant Director Housing and Regeneration

Relevant Managing Director: Managing Director (Transformation)

Relevant Portfolio Holder: Councillor I Moran

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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 and to seek authority to dispose of assets.

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 and B in relation to the 121 sites in the Tanhouse Ward together with land at Brierfield, Liverpool Road and Laburnum Drive in Skelmersdale and Hillock Lane in Scarisbrick, and take any actions necessary to secure disposal of category 1 sites.
- 2.3 That the sites set out in Appendix D are no longer required for their current uses as set out in that Appendix and that they be appropriated as required for regeneration purposes for the reasons set out in the report.
- 2.4 That funding of £20,000 be made available from major project reserves to enable sites designated in previous reports as '1 – Seek to Dispose' along with those identified in Appendix A and B, to be progressed further as detailed in paragraph 7.2.

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
Skelmersdale North	Scott
Rufford	Aughton Park
Tanhouse	

- 3.2 Some of the assets have development potential and, where appropriate, planning applications have been submitted to secure their enhanced value. At the 16th September 2014 Cabinet Meeting, authority was given to adopt a new ward mapping delivery plan and in accordance with this the appraisal of assets within Moorside Ward began in April 2014. Also at this Meeting authority was given to adopt a new Member consultation process which means that Ward Councillors are consulted on a face to face basis prior to and following their Ward being appraised. The Portfolio Holder is also consulted in the same manner following the completed appraisal of assets within a ward.

4.0 CURRENT POSITION

- 4.1 As detailed in the September 2014 Cabinet report, an exercise was carried out earlier this year to undertake a very broad sweep of all remaining wards to ascertain if there are any “easy win” windfall sites that could be brought forward in a more timely fashion instead of waiting until the Ward within which the asset sits is appraised as a whole. This brief desktop exercise identified 3 assets to be investigated further, 2 within the Skelmersdale South Ward and 1 within Moorside Ward. Site visits and appraisals were undertaken on all 3 sites and pre-application enquiries were submitted to obtain informal planning comments. The opinion of Ward Councillors was also sought at site meetings and no over-riding objections were received from those that responded. All 3 sites have been categorised as category 2’s as shown in Appendix B which recommends that they be disposed of in the future. The 2 sites within Skelmersdale South require further investigatory surveys and works with regards to historical coal mining in the area but in principle residential development on the sites is acceptable. The site within Moorside is designated as EN3 – Open Recreation Space, within the Local Plan. This means that a scheme needs to be developed to provide adequate mitigation measures in the same locality should the site be brought forward for residential development. Should Officers progress these sites to the point where the next stage would be to seek planning permission for residential development, details will be reported back to Cabinet and authority sought to re-categorise the sites as 1’s i.e. to dispose.

- 4.2 An additional windfall site has been identified for disposal; land adjacent to 14 Hillock Lane in Scarisbrick. The Scarisbrick Ward was appraised and reported to Cabinet in January 2013. This particular site as a whole was categorised for retention. However the Council was approached by the owner of an adjacent property who owns a strip of land which adjoins the Council's land to the eastern boundary. It is their intention to develop the surplus land in their ownership and wish to purchase a section of the Council owned land to provide vehicular access to their own land. The land is identified in Appendix C. The sale of this land would not prohibit the future development of the remainder of the Council owned land in the future.
- 4.3 As per the approved Ward Delivery Plan, the Tanhouse Ward was appraised during the months of October 2014 to March 2015. This Ward has a large number of Council owned assets, requiring the assessment of 121 sites. Officers met with both Ward Councillors prior to and upon completion of all site appraisals. The Ward Councillors raised no objections to the recommendations being put forward as outlined in Appendix A. In total 8 sites have been identified for disposal. Of these, 4 have the potential for residential development and the remaining 4 can be offered to adjoining occupants to allow curtilage extensions or may otherwise be retained. The category 2 sites, of which there are 19, require further investigatory work in terms of development with adjacent sites or retention until clawback has reduced significantly. Clawback is a payment made to the Homes and Communities Agency (HCA). It applies to land within Skelmersdale which was transferred into the Council's ownership but with the agreement that should it be sold on the open market, a percentage of the receipt has to be paid to the HCA. At present the majority of clawback stands at 50% with a yearly decrease of 2%. Previous correspondence with the HCA has confirmed that they have maintained their stance and are not willing to reduce the percentage of clawback.
- 4.4 Currently work is being undertaken by officers in Housing to look at the future options for the Council's garages across the Borough. This is exploring options to ensure the efficient use of stock and improve the satisfaction for tenants. Within the Tanhouse ward alone there are a high number of Council-owned garages and this was the same within the Skelmersdale North, Digmoor and Birch Green Wards. Given that this current work is being undertaken, all of the garages within Tanhouse have, at this point in time, been categorised as 3's i.e. to retain.
- 4.5 The Council acquires and holds property for various statutory purposes in order to perform its functions. The process of changing the purpose for which it is held is described as appropriation. The general power to appropriate is set out in Section 122 of the Local Government Act 1972 ("the Act") which empowers the Council to appropriate land for any purpose for which it is authorised if it is no longer required for the purpose for which it is held immediately before the appropriation. The current use 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 by the SAMP process. These include those sites set out in Appendix D. It is necessary to appropriate these sites from their current use as set out in Appendix D to regeneration purposes. The appropriation of land as part of the SAMP has been an integral process since the project began and enables all capital receipts from any sales to be held in the Council's General Revenue Account. The spending of the income from these sales is not restricted to projects or work within a

particular Service Area and thus could be utilised for a number of reasons e.g. housing, leisure, regeneration etc.

4.6 Since the September 2014 Cabinet meeting, work has been continuing on sites previously approved for disposal. This can be summarised as:

- The sale of the site at Park Avenue, Ormskirk has been completed
- Offers have been accepted on the site at Sephton Drive, Ormskirk and at Hillock Lane in Scarisbrick.
- Sites at Elmers Green in Skelmersdale and Hoole Lane in Banks are currently being marketed.
- Planning applications have been submitted for residential development at Trevor Road, Burscough, the former Westec House site in Ormskirk and at Schwartzman Drive in Banks. All Ward Councillors have been contacted and either met on site or emailed responses in relation to the proposals. None raised any objections to the proposals being put forward.
- Five pre-application enquiries have been submitted to Planning for consideration in relation to potential residential developments.

5.0 PROPOSALS

5.1 Officers will continue to work towards mapping wards in accordance with the ward mapping delivery plan agreed at the September 2014 Cabinet meeting.

5.2 Where sites have been identified for disposal and agreed by Cabinet, Officers will continue to progress sites through the pre-application and planning application stages.

5.3 In accordance with the previously agreed Ward Mapping Delivery Plan, the next ward to be considered is Moorside in Skelmersdale.

6.0 SUSTAINABILITY IMPACTS

6.1 The outcomes of the Strategic Asset Management Project and the nature of any scheme that comes 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.

7.0 FINANCIAL AND RESOURCE IMPLICATIONS

7.1 Securing the enhanced valuation of assets to be disposed will continue to require resources e.g. pre-application submissions, planning application fees, surveys and the professional drawing of plans when required etc. It has been reported previously to 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.

7.2 To date approximately £6,700 has been spent out of the current allocation of £10,000. The planning system promotes, in almost every case, the submission of

formal pre-application advice prior to 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. Planning application fees are determined by development type and the area size of the application site. The fee alone for one of the SAMP sites was £2,695. Hence the remaining £3,300 will not be sufficient to allow the continued disposal of assets with an enhanced value for a prolonged period of time. I would ask that a further £20,000 be allocated for this project to allow the continued roll out of sites for disposal.

- 7.3 Since the appraisal of assets under SAMP began in 2010, 6 sites have been sold totalling £393,200 in receipts. Furthermore, 2 offers have been accepted on sites and are currently with the Council's legal department to finalise completion of these sales. The value of these 2 sites is £93,000. Bringing in £486,200 has meant that 109% of the target income has been achieved to date. In addition to these receipts, the sale of land at Park Avenue in Ormskirk required the purchaser to construct a new council owned car park adjacent to the site. This has now been completed and is valued at approximately £25,000-£30,000.

8.0 RISK ASSESSMENT

- 8.1 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. In some cases there will be opportunities to generate capital receipts from their disposal and in other instances benefit to the local community is achieved through the creation of new or improved functional usage of land such as the creation of allotments. 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.

9.0 CONCLUSIONS

- 9.1 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 continued ownership of all the assets is challenged to determine those that are suitable for further development are identified and progressed.

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 – Tanhouse Recommendations
- Appendix B – Windfall Sites Recommendations
- Appendix C – Location plans of category 1 sites
- Appendix D – Land to be appropriated