

Key Decision Required:	Yes	In the Forward Plan:	Yes
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## CABINET

1 AUGUST 2014

### REPORT OF THE REGENERATION, INWARD INVESTMENT AND ASSET MANAGEMENT PORTFOLIO HOLDER

#### A.6 FREEHOLD DISPOSAL OF THE HAULAGE YARD AT SOUTH STRAND, LAWFORD

(Report prepared by Aileen Middleton)

#### PART 1 – KEY INFORMATION

##### **PURPOSE OF THE REPORT**

To seek the Cabinet's approval for the freehold disposal of the haulage yard situated at South Strand, Lawford.

##### **EXECUTIVE SUMMARY**

At the Cabinet meeting held on 24 January 2014, Members reached a decision (No. 2386) on the disposal of the haulage yard but the selected purchaser was not able to complete the purchase.

Previously, the haulage yard at South Strand in Lawford has been let on an informal licence to a haulage operator for some years and he asked to purchase the freehold.

Another adjoining owner has also offered to purchase the freehold. A sealed bid process was entered into and a winning bid identified. However, after some weeks, the winning purchaser informed officers that he was unable to complete the purchase and introduced a third party to the Council as a prospective purchaser for the site.

A further sealed bid process, including the new party and the other bidder from the first round of sealed bids was carried out.

The adjoining owner from the first bidding round submitted an improved second bid and was the highest bidder in the second round.

##### **RECOMMENDATIONS**

**That Cabinet authorises, in principle, the freehold disposal to the adjoining owner, subject to its decision on terms set out in the report in Part B of this agenda.**

#### PART 2 – IMPLICATIONS OF THE DECISION

##### **DELIVERING PRIORITIES**

The disposal will have the potential to deliver on the following Council priorities:

- Ensuring people have the knowledge and skills to secure good employment.
- Promoting sustainable economic growth.

- Regenerating the District and improving deprived areas.

## **FINANCE, OTHER RESOURCES AND RISK**

### **Finance and Other Resources**

The freehold disposal will result in a capital receipt for the Council. Details of this are contained in Part B of this agenda.

### **Risk**

The land is part of a site that was used by the Council's predecessor organisation as a landfill site. Since the closure of the landfill, the area has been largely developed for industrial use and sold in parts.

The land in question is one of only two remaining sections. The Council remains liable for underlying contamination over the whole area because it is the successor to the original polluter.

## **LEGAL**

Section 123(1) of the Local Government Act 1972 indicates that a local authority may dispose of land held by it, in any way it wishes, so long as (section 123 (2)) the land is disposed for a consideration not less than the best that can reasonably be obtained.

The General Disposal Consent Order (England) 2003 gives consent for disposal at below best consideration reasonably obtainable provided that the undervalue is less than £2m and the proposal enhances the environmental economic and social well-being of the area. Section 123(2A) of the Local Government Act 1972 indicates that a local authority may not dispose of land held by it without advertising its intention to do so in the local press.

In this case, the price is in line with the valuation and special purchaser interest and is considered to be best consideration reasonably obtainable.

In coming to decisions in relation to management of assets, the Council must act in accordance with its statutory duties and responsibilities. Under case law, and following Section 120 of the Local Government Act 1972, the Council is obliged to ensure that the management of its assets are for the benefit of the district.

## **OTHER IMPLICATIONS**

**Consideration has been given to the implications of the proposed decision in respect of Crime and Disorder, Equality and Diversity, Health Inequalities, Consultation and Public Engagement and Wards; and any significant issues are set out below.**

None

### **Ward**

Lawford

## **PART 3 – SUPPORTING INFORMATION**

### **BACKGROUND**

- The haulage yard is a piece of waste ground in Lawford, near Manningtree, which is let on an informal licence to a neighbouring owner. The licensee has no formal ongoing rights over the land because of the terms signed some years ago when he first took over the yard.

- The ground at the yard is contaminated land following its former use as a waste tip and will be costly to clean thus the site will not be an attractive investment for anyone not already in the area.
- The yard is currently used for vehicle storage in conjunction with the adjoining business.
- The site was subject to a competitive bidding process in 2013 but the selected bidder was not able to complete the process and introduced a further interested party.
- A further competitive bidding process was carried out.
- The second adjoining owner submitted an increased bid and was the highest bidder in the second process.
- Agents have valued the site for sale and a limited competition between the interested parties has been conducted via a sealed bid process. This sealed bid process has been evaluated by assets and regeneration officers and scored against the following criteria:
  - A) Freehold Price – 70% of the evaluation marks
  - B) Regeneration potential of the future use – 10% of the evaluation marks
  - C) Creation of Jobs – 10% of the evaluation marks
  - D) Environmental Impact of the future use - 10% of the evaluation marks

#### **CURRENT POSITION**

- Both current potential purchasers were asked to provide their best and final bids for the site by 13 June 2014.
- The new proposed purchaser submitted the bid that was highest and which best reflected the criteria set out in the sealed bid requirements.
- It is proposed that highest bidder be allowed to proceed to purchase the freehold of the site.
- The financial details are contained in Part B of this agenda.

#### **FURTHER HEADINGS RELEVANT TO THE REPORT**

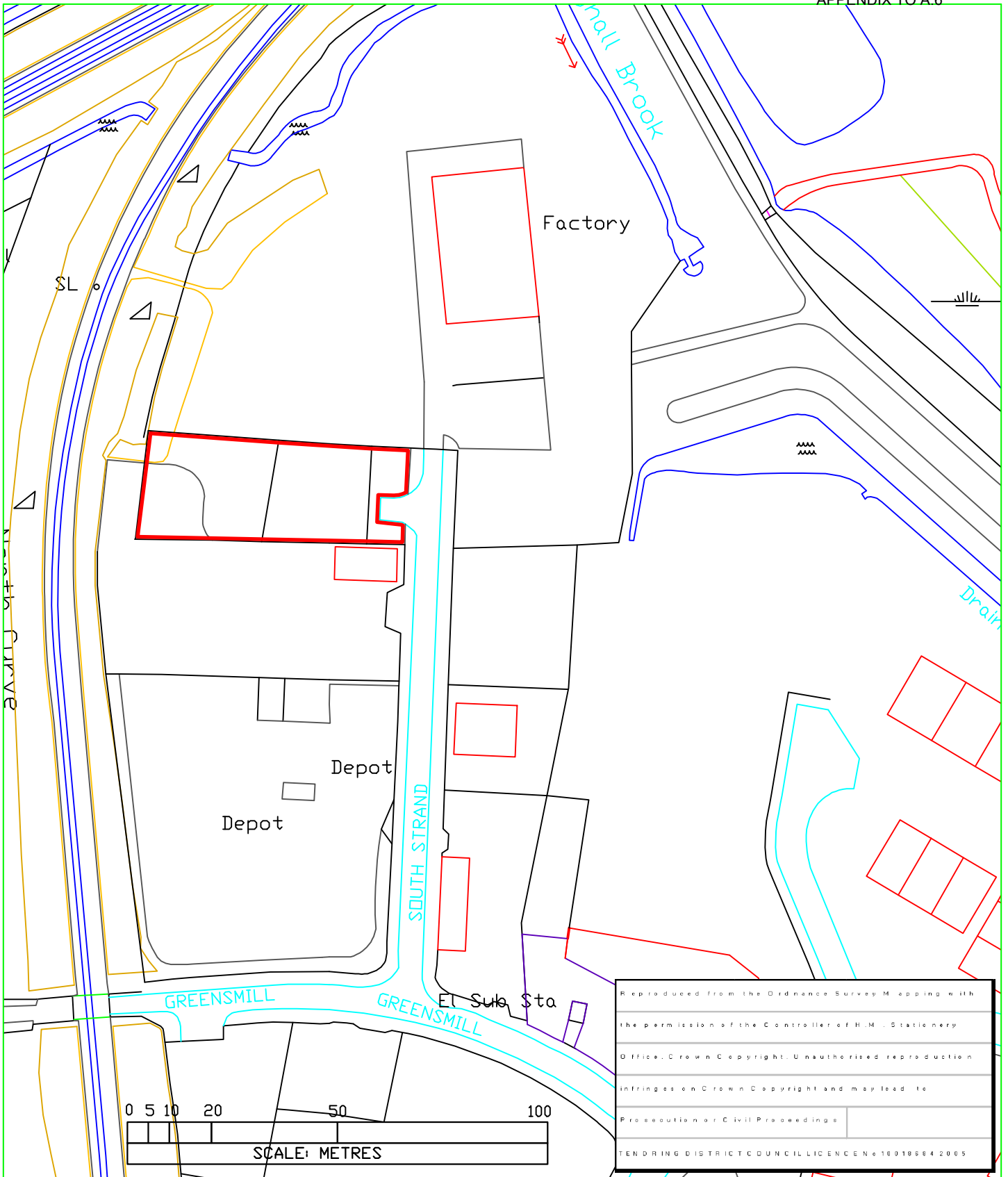
None

#### **BACKGROUND PAPERS FOR THE DECISION**

None

#### **APPENDICES**

- **Appendix A – Location Plan**



**TENDRING DISTRICT COUNCIL**

M. KNAPPETT  
BA(hons). DMS.  
HEAD OF CORPORATE PERFORMANCE

title: HAULAGE YARD SOUTH STRAND  
LAWFORD

drawing: LOCATION PLAN

scale: 1:1250

drawn by: AR WHITE

date: 21 SEPT 2009

drwg.No. revision

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