

CABINET

15 JULY 2022

REPORT OF THE PORTFOLIO HOLDER FOR CORPORATE FINANCE AND GOVERNANCE

A.5 INITIATION OF THE PROPERTY DEALING PROCEDURE IN ORDER TO EXPLORE THE DEVELOPMENT POTENTIAL OF VARIOUS AREAS OF COUNCIL LAND

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To consider whether to initiate the Property Dealing Procedure in respect of each of the 69 proposed areas of land identified in Appendix A in order for development/disposal proposals to be explored and to seek Cabinet's approval to the short-listing and prioritisation principles.

EXECUTIVE SUMMARY

As part of the rationalisation of the Council's assets and in order to help address the housing need in Tendring, both green space and underutilised land have been evaluated to find those with the potential for redevelopment for housing. 69 separate areas have been identified for consideration and are set out in Appendix A.

The Portfolio Holder for Corporate Finance and Governance has been consulted on each of the pieces of land identified and whilst normally the initiation of the Property Dealing Procedure is a Portfolio Holder decision, due to the large number of areas identified and potential scale and impact, the decision has been referred to Cabinet.

All land identified is owned and maintained by the Council and is a mix from both the housing and general fund portfolios.

Appendix A identifies each piece of land by way of a plan and photographs and provides some information on:

- current and adjacent uses,
- planning status under the current Local Plan,
- any legal information or rights that are currently known,
- whether the land is held in the HRA (H Suffix) or General Fund (G Suffix), and
- housing need in the area as at 1 May 2020 identified in the Housing Strategy.

The potential development plans for each piece of land are purely conceptual at this stage and do not guarantee that development is achievable. One option for these sites could be development of housing. Other uses, disposal to produce a capital receipt or actions may be possible following detailed work and consultation.

This report requests the initiation of the Property Dealing Procedure to enable each area identified to be explored further, establishing the detailed planning position and putting together a development appraisal, including how a potential development fits in the local area and whether other nearby public realm could be enhanced by the development. A further decision will then be sought for each individual piece of land as to if, or how the development is realised however, due to the scale of the project, principles are necessary for prioritisation.

Cabinet agreed its Highlight Priorities for 22/23 at its meeting in February 2022, under C5 'Use assets to support priorities' the first milestone was to prepare long list of potential disposal/development sites for Portfolio Holder shortlisting. The list has been prepared and

discussed with the Portfolio Holder. The Portfolio Holder notes the scale of the list, potential financial and resource impacts as well as the geographical spread of locations. He has suggested that in all of the circumstances a Cabinet consideration of the list and potential actions is appropriate and has asked Cabinet to consider the matter accordingly and establish prioritisation principles for shortlisting.

It is proposed that the first of these principles are to shortlist between those properties which provide a capital receipt to contribute to the Council's financial position, to reinvest back in the Corporate Investment Plan to fund the Council's projects and priorities and those which are deemed suitable for housing development for building and managing our own homes.

Proposed principles of prioritisation are:

- i) The likely ease or otherwise of completing disposal actions with limited resources;
- ii) The identified need for social housing provision in the area;
- iii) The number of potential dwellings identified, and;
- iv) The potential level of capital contribution to other priorities.

In addition to the sites listed in the schedule Officers initiated processes to dispose of and to gain planning permission for three sites in the district:

- Land at Crome Road Clacton
- Land at Dover Road Brightlingsea
- Burrows Close Clacton

The Crome Road and Dover Road sites benefit from planning permission but an application for the Burrows Road site was withheld pending the review that is the principal topic of this report. It is proposed that these sites are taken forward for open market disposal in support of the wider capital programme and corporate priorities.

RECOMMENDATION(S)

It is recommended that Cabinet:

- a) Considers the list of potential sites identified at Appendix A and determines whether to initiate the Property Dealing Procedure in respect of each of the areas identified;**
- b) Agrees that priority action be taken in relation to bringing forward proposals for further decision in relation to potential development of the sites at Fernlea Road Harwich and Seaview Close at Little Oakley contained in the appendix and subject to the Corporate Priority actions;**
- c) Determines a prioritised list of the other sites that Cabinet elects to initiate the disposal process as recommendation (a) above, having regard to:**
 - i) The likely ease or otherwise of completing disposal actions with limited resources;**
 - ii) The identified need for social housing provision in the area;**
 - iii) The number of potential dwellings identified, and;**
 - iv) The potential level of capital contribution to other priorities;****subject to further decision in relation to the allocation of resources required, and;**
- d) Requests that officers bring forward processes and ultimately reports for further decision in respect of the freehold disposal of sites at Crome Road Clacton, Dover Road Brightlingsea and Burrows Close Clacton.**

REASON(S) FOR THE RECOMMENDATION(S)
<p>To determine Members' priorities for each area of land: for potential Council Housing growth, disposal to produce capital receipts for reinvestment into the Corporate Investment Plan to support the delivery of other Council priorities and projects, or for other development. To start the process for them to be explored, planning opinion sought and development appraisal carried out.</p> <p>To take forward actions on sites previously identified.</p>
ALTERNATIVE OPTIONS CONSIDERED
<ul style="list-style-type: none"> - To Initiate the Property Dealing Procedure on all of the suggested land areas. – Not proposed - Potential abortive use of resources - Not initiate the Property Dealing Procedure for any of the land – Not proposed – would not generate any council housing or efficiency. - To not progress actions or progress with housing development on sites previously identified.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES
<p>These proposals have the potential to feed into the following priorities:</p> <ul style="list-style-type: none"> • Building and managing our own homes • Public spaces to be proud of in urban and rural areas • Use assets to support priorities <p>As well as specifically addressing the following 2022/23 Highlight Priority Actions approved by Cabinet in February 2022:</p> <p>C5 Use assets to support priorities: "...To facilitate member decision on a range of potential development sites identified within the Housing Revenue Account and General Fund estates. Propose a range of disposal or development options that touches on a spectrum of priority themes and balances financial and service considerations..."</p> <p>Q1 target: Other Sites: Prepare long list of potential disposal/development sites for Portfolio Holder shortlisting.</p> <p>Q2 target: Other Sites: Report to members short list of potential development/ disposal sites for direction and prioritisation.</p> <p>B4 Building and Managing our own homes: "...two further sites held within the Housing Revenue Account (HRA) will be progressed to design and tender phase..."</p> <p>Q3target: Further HRA sites: Scheme proposals presented to Cabinet for approval.</p> <p>Q4 target: Further HRA sites: Planning applications submitted.</p> <p>These targets are focussed on the sites in the schedule at Fernlea Road Harwich and at Seaview Avenue Little Oakley.</p> <p>It is proposed that the Cabinet determines that these two sites are approved to be taken forward as a priority. It is also proposed that other sites from the schedule where Cabinet agrees to take forward action in relation to the sites.</p>
OUTCOME OF CONSULTATION AND ENGAGEMENT
<p>N/A The Property Dealing and planning procedures include consultation provisions.</p>

LEGAL REQUIREMENTS (including legislation & constitutional powers)			
Is the recommendation a Key Decision (see the criteria stated here)	YES	If Yes, indicate which by which criteria it is a Key Decision	<input type="checkbox"/> Significant effect on two or more wards <input type="checkbox"/> Involves £100,000 expenditure/income <input checked="" type="checkbox"/> Is otherwise significant for the service budget
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	15 June 2022 Note: Although the proposed decision does not of itself incur saving or expenditure the matter is significant and widespread. It has accordingly been published as a forthcoming decision.
<p>In coming to decisions in relation to management of assets, the Council must act in accordance with its statutory duties and responsibilities. Cases assessing principles of Section 120 of Local Government Act 1972 confirm that the Council is obliged to ensure that the management of its assets are for the benefit of the district;</p> <p>Section 9 of the Housing Act 1985 gives the Council discretionary power to construct or acquire housing.</p> <p>Section 32 of the Housing Act 1985 together with the General Housing Consent 2013, Consent A gives the Council discretionary power to dispose of land held under Part II of the Housing Act 1985 that has not been developed/is vacant.</p> <p>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.</p> <p>Section 123(2) of the Local Government Act 1972 indicates that, a local authority may not dispose of land held by it as public open space without first advertising its intention to do so.</p> <p>The areas of land identified in the Appendix have been given initial consideration as to whether any covenant or restriction would prevent development. Further specific legal work will be required in each case as sites are considered and brought forward for development. Resources for this have not been identified.</p> <p>The Portfolio Holder notes the scale of the list, together with potential financial and resource impacts as well as the geographical spread of locations. He has suggested that in all of the circumstances a Cabinet consideration of the list and potential actions is appropriate and has asked Cabinet to consider the matter accordingly.</p>			
<input type="checkbox"/>	The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:		
<p>Ordinarily the Initiation of the Property Dealing Procedure is a Portfolio Holder decision, as set out in Part 5 of the Council's Constitution however, given the scale and spread of potential disposals it is proposed that the Cabinet considers the matter, the Portfolio Holder has exercised their right (if they consider it appropriate) to elect to refer up to the Cabinet, the exercise of any power delegated to them.</p> <p>Any future decisions regarding the individual pieces of land will give detailed consideration to the legal requirements as to how the land is held, and if being retained for alternative uses appropriation between the General Fund and Housing Revenue Account, or for planning purposes, may be required depending upon the recommended proposals.</p>			

FINANCE AND OTHER RESOURCE IMPLICATIONS

Further consideration of these sites will require searches applications, investigations and other actions for which no resources have been identified.

Any development of housing on the sites would require designs, consents construction and management for which no resources have been identified.

Any disposal of the sites would lead to capital receipts but would require investigations, permissions and tendering for which no resources have been identified.

The Council has a highlight priority to build and maintain its own homes. It also faces a very tough financial outlook. Disposal of land would lead to capital receipts that will support other priorities and the overall financial position. It may be that Cabinet wishes to take an approach seeking to balance these priorities.

The Council's revenue budgets face significant current and future pressures. It will be hard to maintain and care for properties in the future to the standards aspired to in the Council's priorities and as required by emerging legislative and regulatory requirements. An approach that seeks to rationalise and gain receipts to support service standards is essential, notwithstanding that there may be local opposition in specific cases.

The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:

No resources have been identified to take forward an additional disposal or construction programme. If existing resources are to be relied upon a strict prioritisation of these sites will be necessary as well as reprioritisation of existing workloads.

USE OF RESOURCES AND VALUE FOR MONEY

The following are submitted in respect of the indicated use of resources and value for money indicators:

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	Retention of underused land does not contribute to priorities and consumes resources. Identification of housing potential and disposal potential are actions proposed in the Asset Management Plan.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	The proposed initiation is pursuant to the adopted constitutional and procedural requirements.
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	Potential actions following review would be aimed at increasing and improving efficiency and services.

MILESTONES AND DELIVERY

Following initiation of the Property Dealing Procedure, the land areas identified will need to be prioritised in line with Member priorities, with a schedule put in place for the development appraisals required to be carried out.

Sites at Chrome Road and Dover Road can be offered for sale in Quarter 3. A planning application for the site at Burrows Close to be made in Quarter 4 with any disposal action in the succeeding financial year.

Progression of other shortlisted sites to be subject to further decision on resourcing and priority.

ASSOCIATED RISKS AND MITIGATION	
<p>Although sixty-nine additional potential pieces of land have been identified as having potential, the true potential is unknown without further investigation. It is possible that on further evaluation it will be found that development is not possible on some of those put forward and other options will need to be considered. Without strict prioritisation, the Council's existing resources are unable to take the project forward without an impact on other Council priorities and further capacity is required.</p>	
EQUALITY IMPLICATIONS	
<p>The decision of this report does not have any equality implications. These will need to be considered in future decisions over each area of land/future development individually. Potential future housing units would meet modern standards and their provision is likely to be progressive.</p> <p>Disposal actions would lead to capital receipts which would offer contribution to corporate priorities and to equality impacts that would be considered as part of other future decisions.</p>	
SOCIAL VALUE CONSIDERATIONS	
<p>The decision of this report does not have any direct social value. Potential future actions could lead to increased housing, increased investment in corporate priorities, efficiency and potential service improvement.</p>	
IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030	
<p>The decisions of this report will not impact directly on the Council's net zero aim, however carbon consideration will need to be included in any development appraisals carried out.</p>	
OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS	
<p>Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.</p>	
Crime and Disorder	Some of the areas identified have elements of anti-social behaviour associated with them, which could be alleviated or eliminated by the land being developed or having another purpose.
Health Inequalities	N/A
Area or Ward(s) affected	Alresford & Elmstead, Ardleigh & Little Bromley, Brightlingsea, Bluehouse, Coppins, Cann Hall, St. Johns, St. James, Burrsville, Eastcliff, St. Bartholomews, The Bentleys & Frating, Thorpe Beaumont & Great Holland, Weeley & Tendring, The Oakleys & Wix, Stour Valley, Dovercourt All Saints, Dovercourt Bay, Harwich & Kingsway, Dovercourt Vines & Parkeston, Lawford Manningtree & Mistley, St. Osyth, Walton

PART 3 – SUPPORTING INFORMATION

BACKGROUND	
<p>The Housing Strategy indicates that on the 1 May 2020 there were 1958 households on the housing register in Tendring, increased from 608 on the 1 May 2017. As part of a wider assets rationalisation project, land assets that are redundant or under-utilised are being identified for potential disposal and this remit was expanded in order to identify land that had potential for development. These developments could then be used to meet some of the housing need, either by the Council constructing properties, or selling the land plots in order to use the Capital receipts to purchase houses, or towards other priorities.</p>	
PREVIOUS RELEVANT DECISIONS	
Cabinet – 19.02.2021 A7 Proposed Development of Surplus Sites for Housing or Disposal	
BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL	
None	
APPENDICES	
Appendix A – Plans, Evaluation and Concept Development Proposal for each area of land identified	
REPORT CONTACT OFFICER(S)	
Name	Jennie Wilkinson
Job Title	Acting Head of Property Services
Email/Telephone	jwilkinson@tendringdc.gov.uk 01255 686935