

# CABINET

26 JULY 2024

## REPORT OF THE PORTFOLIO HOLDER FOR ASSETS

### **A.1 REMOVAL OF 25 AREAS OF LAND FROM THE PROPERTY DEALING PROCEDURE AND CONSIDERATION OF THE REMAINING 44, FOLLOWING AN INITIAL REVIEW OF 69 AREAS OF LAND UNDER THE PROCEDURE**

#### **PART 1 – KEY INFORMATION**

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

To consider whether to remove 25 areas of land from the Property Dealing Procedure in accordance with the list attached at Appendix A and to further consider the remaining 44 listed at Appendix B, following an initial review of the previous 69 areas of land over which the Property Dealing Procedure was initiated in July 2022.

##### **EXECUTIVE SUMMARY**

As part of the rationalisation of the Council's assets and in order to help address both the housing need in Tendring, as well as supporting the Council's financial position, 69 separate areas were identified and the Property Dealing Procedure initiated over them by Cabinet in July 2022 in order for them to be considered further.

As Portfolio Holder for Assets each of the pieces of land previously identified have been reviewed and the areas now put forward to be removed from the Property Dealing Procedure. Whilst the decision both to initiate the Property Dealing Procedure and to end this is usually a Portfolio Holder decision, due to the large number of areas identified and potential scale and impact, the previous decision in July 2022 was referred to Cabinet. It is only right therefore that this decision to remove land from under the Property Dealing Procedure also returns to Cabinet.

The current Corporate Plan recognises the Cabinet's priority to champion the local environment both creating and maintaining good quality and useable space for communities. With this in mind, the initial evaluation of the 69 areas looked at which ones are designated as safeguarded open space in the current Local Plan and the recommendation in this report is to remove these 25 from the Property Dealing Procedure and retain them as green space for the present time.

This would leave 44 areas of land that are still subject to the Property Dealing Procedure to be evaluated. Cabinet's priorities for this assessment are necessary to determine specifically the desired outcome. The three main options appear to be:

1. Capital receipt – identify the ones that can be sold with outline planning permission for development and bring one off funding into the Council to support other priorities;
2. Council houses – identify the ones that can be developed or retained for potential development in the future;
3. Do nothing – place resources into other projects and areas and remove these 44 sites from the Property Dealing Procedure also. This doesn't negate the previous work carried out and the Property Dealing Procedure can be initiated over individual sites in the future.

<b>RECOMMENDATION(S)</b>
<p><b>It is recommended that Cabinet:</b></p> <ul style="list-style-type: none"> <li><b>(a) approves the list of 25 sites put forward at Appendix A and determines to remove them from the Property Dealing Procedure based on their current status as safeguarded open space in the Local Plan;</b></li> <li><b>(b) to consider its priorities in respect of the remaining 44 sites, as set out in Appendix B, agrees to remove them from the Property Dealing Procedure to enable resources to be allocated to other corporate projects requiring asset support; and</b></li> <li><b>(c) requests over time, when resources are available, that an assessment of the sites in Appendix B be undertaken with the Portfolio Holder for Assets to determine which ones, on a case by case basis, should be proposed for disposal to obtain a capital receipt or retained for council housing, with individual decisions.</b></li> </ul>

<b>REASON(S) FOR THE RECOMMENDATION(S)</b>
<p>To reduce the number of sites currently the subject of the Property Dealing Procedure in order to focus resource on evaluating those that remain.</p> <p>To set the Cabinet’s priorities for further assessment in order to efficiently reduce capacity required within limited resources.</p>

<b>ALTERNATIVE OPTIONS CONSIDERED</b>
<ul style="list-style-type: none"> <li>- To keep all identified sites under the Property Dealing Procedure – Not proposed – Resources would be best used focussing on a smaller number of sites for evaluations and proposals.</li> <li>- To fully evaluate all 44 remaining plots immediately – Not proposed – this would be extremely resource heavy. Rather understanding the Cabinet’s priorities in the short to medium term, in order to specifically focus on a smaller number of areas to achieve those, would be a better use of resources</li> </ul>

**PART 2 – IMPLICATIONS OF THE DECISION**

<b>DELIVERING PRIORITIES</b>
<p>The current Corporate Plan sets out the vision for Tendring between 2024 – 2028, this includes championing the local environment by creating and maintaining spaces for leisure. The retention of some open spaces for this purpose supports the priority without the need to find and create more space.</p> <p>Other priorities, including financial sustainability, have budgetary implications and under utilised assets can be repurposed or disposed of in order to support budgetary deficits.</p>

<b>OUTCOME OF CONSULTATION AND ENGAGEMENT</b>
<p>The Portfolio Holder for Assets has considered all the land assets put forward to be removed from the Property Dealing Procedure and is in agreement with this action.</p> <p>Informal consultation with other members of the Cabinet indicates that they are supportive of all 69 sites being removed from the Property Dealing Procedure in order to focus resources in other areas.</p>

<b>LEGAL REQUIREMENTS (including legislation &amp; constitutional powers)</b>			
Is the recommendation	NO	If Yes, indicate which by which criteria it is a	<input type="checkbox"/> Significant effect on two or more wards

a Key Decision (see the criteria stated here)	Key Decision	<input type="checkbox"/> Involves £100,000 expenditure/income <input 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)	7 May 2024

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;

Section 9 of the Housing Act 1985 gives the Council discretionary power to construct or acquire housing.

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.

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.

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.

Due to the scale of the previous list (69 properties), potential financial and resource impacts as well as the geographical spread of locations, Cabinet was asked in July 2022 to consider whether to initiate the Property Dealing Procedure over the sites. Cabinet agreed at that time to initiate the Property Dealing Procedure of all of the 69 sites. It is only right therefore that Cabinet is now asked to consider the decision to remove these from the Property Dealing Procedure.

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

The essence of this decision is seeking to undo the previous decision to allocate 69 sites to the Property Dealing Procedure and allow a prioritisation to take place with 44 of the 69 sites on a case by case basis as individual sites coming through the Property Dealing Procedure, when appropriate and necessary to do so. The recommendation to protect 25 sites as open space however, allows Cabinet to confirm that no further consideration of these sites will be progressed.

The Council's Annual Governance Statement (AGS) (a statutory document which sits alongside the Statement of Accounts, which is inspected by External Audit and which follows the CIPFA format) covers the seven principles of Local Code of Governance (for Local Government) and expects adherence with Principle E - Developing the Council's entity, including the capacity of its leadership and the individuals within it. Within the AGS for 2023/24, the Council stated it would review departmental plans against the new Corporate Vision to incorporate resources / capacity to deliver priorities, projects and service provision.

The Council must ensure that it is performing its statutory Best Value Duty with regards to the use of resources and service delivery. Best value authorities must demonstrate good governance, including a positive organisational culture, across all their functions and effective risk management.

**FINANCE AND OTHER RESOURCE IMPLICATIONS**

Of the original 69 sites put forward for consideration under the Property Dealing Procedure, this report is recommending that 25 of them now be removed from consideration. These 25 sites are currently designated as safeguarded open space under the current Local Plan and as such are considered to be the most difficult and resource heavy to sell or repurpose.

Cabinet should also consider the resource implications in respect of the other 44 areas of land and it is recommended that these are also removed from the Property Dealing Procedure and progressed on an individual basis as and when priorities and resources allow.

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

Although there are no significant comments over and above those set out elsewhere in this report, it is recognised that the proposed way forward of revisiting the sites on a case by case basis would not negate the effective management of resources / assets and the potential to generate capital receipts for reinvestment or for supporting the Council's longer term financial sustainability in the future.

**USE OF RESOURCES AND VALUE FOR MONEY**

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

<p>A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;</p>	<p>Retention of underused land does not contribute to priorities and consumes resources. However in order to meet current priorities around championing the environment, maintaining currently owned public realm land well, makes it more attractive for leisure purposes</p>
<p>B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and</p>	<p>Having considered the current status of the land under the Local Plan, the 25 land areas the subject of this report are considered at a higher risk of failure for other uses. With limited resources available to progress anything on the remaining 44 sites, it is recommended that these too are not progressed at the present time in order to focus on other Council priorities.</p>
<p>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.</p>	<p>As above, of the 69 sites originally proposed, the 25 the subject of this report are considered the most resource hungry. With limited resources available to progress anything on the remaining 44 sites, it is recommended that these too are not progressed at the present time in order to focus on other Council priorities.</p>

**MILESTONES AND DELIVERY**

If Cabinet agrees to remove the 25 sites from the Property Dealing Procedure, then no further

<p>action will be taken on them.</p> <p>As and when resources permit, consideration of and recommendations for the remaining 44 sites will be put forward for further decisions.</p>	
<p><b>ASSOCIATED RISKS AND MITIGATION</b></p>	
<p>There is not considered to be any great risks in removing these sites from the Property Dealing Procedure. Should any one of them be considered to have potential for something else in the future, then the Property Dealing Procedure can be reinitiated over that specific area.</p>	
<p><b>EQUALITY IMPLICATIONS</b></p>	
<p>The decision of this report does not have any equality implications.</p>	
<p><b>SOCIAL VALUE CONSIDERATIONS</b></p>	
<p>The decision of this report does not have any direct social value implications, however by retaining the current use of 25 areas of green space, these all remain accessible for public leisure uses.</p>	
<p><b>IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030</b></p>	
<p>The decisions of this report will not impact directly on the Council's net zero aim.</p>	
<p><b>OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS</b></p>	
<p><b>Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.</b></p>	
<p><b>Crime and Disorder</b></p>	<p>N/A</p>
<p><b>Health Inequalities</b></p>	<p>N/A</p>
<p><b>Area or Ward affected</b></p>	<p>Alresford &amp; Elmstead, Ardleigh &amp; Little Bromley, Brightlingsea, Bluehouse, Coppins, St. Johns, Eastcliff, St. Bartholomews, The Bentleys &amp; Frating, Weeley &amp; Tendring, The Oakleys &amp; Wix, Dovercourt All Saints, Dovercourt Bay, Lawford Manningtree &amp; Mistley, St. Osyth.</p>

### PART 3 – SUPPORTING INFORMATION

<p><b>BACKGROUND</b></p>
<p>The Property Dealing Procedure was initiated over 69 sites that are freehold owned by Tendring District Council in July 2022, in order for their potential for development or disposal to be considered in line with the priorities at the time:</p> <ul style="list-style-type: none"> <li>• Building and managing our own homes</li> <li>• Public spaces to be proud of in urban and rural areas</li> <li>• Use assets to support priorities</li> </ul> <p>As well as specifically addressing the following 2022/23 Highlight Priority Actions approved by Cabinet in February 2022:</p> <p><b>C5 Use assets to support priorities:</b> "...To facilitate member decision on a range of potential development sites identified within the Housing Revenue Account and General Fund estates.</p>

Propose a range of disposal or development options that touches on a spectrum of priority themes and balances financial and service considerations...”

Q1 target: Other Sites: Prepare long list of potential disposal/development sites for Portfolio Holder shortlisting.

Q2 target: Other Sites: Report to members short list of potential development/ disposal sites for direction and prioritisation.

These sites have now been considered against achievability, as well as the new current Corporate Priorities.

#### **PREVIOUS RELEVANT DECISIONS**

Cabinet – 19.02.2021 Proposed Development of Surplus Sites for Housing or Disposal

Cabinet – 15.07.2022 Initiation of the Property Dealing Procedure in order to explore the development potential of various areas of Council land

#### **BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL**

None

#### **APPENDICES**

**Appendix A – Plans, Evaluation and Concept Development Proposals previously supplied for each of the 25 sites the subject of this report.**

**Appendix B – Plans, Evaluation and Concept Development Proposals previously supplied for each of the other 44 sites.**

#### **REPORT CONTACT OFFICER(S)**

<b>Name</b>	<b>Jennie Wilkinson</b>
<b>Job Title</b>	<b>Property and Projects Manager</b>
<b>Email/Telephone</b>	<b><a href="mailto:jwilkinson@tendringdc.gov.uk">jwilkinson@tendringdc.gov.uk</a> 01255 686935</b>