

**Report of :** Land and Property Services

**Report to :** Chief Asset Management and Regeneration Officer

**Date:** 11 August 2014

**Subject:** Disposal of land at Stonecliffe Drive, Farnley, LS12 5SE, for the purpose of self-build

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):	Farnley & Wortley	
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		
Appendix number:		

### Summary of main issues

1. The two sites comprise small vacant former garage development plots potentially capable of residential development.
2. Executive Board gave approval on 17 July 2013 to the promotion of self-build in the city and that the sites are prioritised in respect of being released for sale at market value for self-build purposes.

### Recommendations

3. It is recommended that approval be given to declare the two self-build sites at Stonecliffe Drive, Farnley, surplus to Council requirements and to sell the sites by way of inviting offers.

### 1 Purpose of this report

- 1.1 The purpose of this report is to seek approval to declare the two self-build sites at Stonecliffe Drive, Farnley, surplus to Council requirements and to sell the sites by way of inviting offers.

## **2 Background information**

- 2.1 The two sites, as listed below and identified on the attached plans, comprise small vacant former garage development plots capable of residential development of between one to two dwellings.
- i. Land opposite no.2 Stonecliffe Drive, Farnley (0.076 hectares / 0.187 acres)
  - ii. Land opposite no.32 Stonecliffe Drive, Farnley (0.057 hectares / 0.14 acres)
- 2.2 The sites, which are vested with Environment & Housing, were identified in a report to the Council's Executive Board on 17 July 2013, which gave its support to the promotion of self-build in the city and that the sites be prioritised in respect of being released for sale at market value for self-build purposes.
- 2.3 A self-build event was held in May 2013 by the Council. It provided a platform for people to talk to specialists in the field of self-build, to discuss and share ideas and form groups of potential first time builders. Once these sites are marketed those parties who registered their details at the event will be contacted to hopefully precipitate offers from self-builders.
- 2.4 In the past small Council owned sites have been disposed of on the open market to individuals who have often used the site to build their own home. The only difference proposed by the self-build strategy is that the sites will be promoted as appropriate for self-builders and be advertised on the Council's self-build webpage, in addition to the standard Council's property for sale webpage. It is recognised that any attempt to restrict the sale of the sites to just self-builders may be unachievable in legal terms and therefore offers from all interested parties will be considered.
- 2.5 Two other sites for self-build purposes under Phase 1 at Moorland Crescent, Gildersome, and Home Lea, Rothwell, have already been marketed and offers received. Four further sites, which formed Phase 2 of the self-build programme, were given approval to market by the Chief Asset Management and Regeneration Officer on 28 April 2014. Offers are being invited on these four sites by 1 August 2014.
- 2.6 As these sites would not accommodate a minimum of 5 dwellings they are unsuitable for custom-build. Similarly, the sites would not lend themselves to being split for self-build. Site (i) is only capable of accommodating one to two dwellings and site (ii) would only accommodate a single house.

## **3 Main issues**

- 3.1 Highways and planning officers have been consulted about the development potential of the sites and initial advice has suggested that each would be capable of being developed for residential purposes.
- 3.2 It is proposed and recommended that the sites are marketed by way of inviting offers, as this will allow parties time to consider an offer, arrange funding and seek further advice from planning officers. It is anticipated that offers submitted will most likely be conditional on planning permission being granted for the use.
- 3.3 The site opposite no.32 Stonecliffe Drive will be sold subject to an existing lease for an electricity substation, which is let at an annual rent of £8 per annum for a 60 year term from 1 June 1965 until 31 May 2025.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 The Executive Member for Development and the Economy was briefed on 22 April 2013 and 30 April 2013 regarding proposals contained within the Housing Investment Land Strategy. The discussion involved site by site analysis of the proposed disposal routes which were to be recommended to Executive Board.
- 4.1.2 Ward Members for all self-build sites identified in the Executive Board report of 17 July 2013 were consulted on 5 July 2013, regarding the proposed sale of the sites. The only comments received in response to this consultation were from Councillor Ann Blackburn, who raised concern about the timing of the consultation immediately prior to Executive Board on 17 July 2013, rather than the principle of the disposal of the two garage sites at Stonecliffe Drive, Farnley. No other specific comments were received from Ward Members in relation to the subject sites identified in this report.
- 4.1.3 Ward Members have since been provided with an update by email on 4 April 2014 with regard to these sites, subsequent to the Executive Board approval on 17 July 2013. Ward Members were not asked for their comments following their earlier consultation and the Executive Board approval. Councillor David Blackburn replied on 7 April 2014 advising that whilst he did not object to the sale of the two sites, he asked that local residents could be contacted regarding the proposal. All residents living along Stonecliffe Drive have been advised by way of letter on 18 July 2014 of the proposal outlined in this report.

### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 Marketing details shall be made available in other languages, Braille etc, if requested. There are no other equality, diversity, cohesion or integration implications arising from this proposal.

### **4.3 Council Policies and City Priorities**

- 4.3.1 The disposal of the sites shall generate capital receipts to support the Council's Capital Programme that covers a wide range of Council Policies and City Priorities.

### **4.4 Resources and Value for Money**

- 4.4.1 The sites are surplus to Council requirements and no operational reason has been identified to justify their retention. In these circumstances, their disposal represents prudent and economic asset management, obviating holding costs associated with managing the sites and therefore supports the best value objectives of the Council.

### **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 Under Part 3 Section 3E Paragraph 2(a) of the Council's Constitution (Officer Delegation Scheme (Executive Functions)) the Director of City Development has authority to discharge any function of Executive Board in relation to the management of land (including valuation, acquisition, appropriation, disposal and any other dealings with land or any interest in land) and Asset Management.
- 4.5.2 The Chief Asset Management and Regeneration Officer has authority to take the decisions requested in this report under Executive functions 1 and 10 (specific to the Director of City Development) of the Director of City Development's sub delegation scheme.

4.5.3 The proposal constitutes a significant operational decision and is therefore not subject to call in.

4.5.4 The Head of Land and Property confirms that the proposed method of sale will result in the Council achieving the best consideration that can be reasonably obtained under Section 123 of the Local Government Act 1972 (or under the Housing Act 1985).

## **4.6 Risk Management**

4.6.1 The risks associated with the proposed disposal are considered below:

- a) If the sites are not sold, the maintenance responsibility for them will remain with the Council.
- b) There is a risk that the sites may not sell. This is unlikely given that interest has already been expressed by potential self-builders at the event in May 2013 and small in-fill sites usually attract interest on the open market as purchasers are often less reliant on bank funding.
- c) There is a risk that the highest bidder may not be from a self-builder. The sites will be promoted as self-build opportunities and bidders asked to set out their proposals which can be considered at the time the offers are reported to Property Panel.

4.6.2 Options relating to the proposed disposal are considered below:

- a) Not to sell the sites. This is not recommended, as there is no operational reason to justify their retention.
- b) To sell the sites by public auction. In ordinary circumstances where the sites were not being promoted to self-builders, this would be a possible option as it provides for a quicker sale than by offers. However, as this method of sale requires the successful bidder to exchange contracts at the auction and complete the transaction within 4 weeks, it does not allow parties to reduce their risk by first obtaining planning permission or allow as much time for funding arrangements to be made. In addition, it does not allow the Council time to have discussions with parties with a view to ideally attempting to select a self-builder purchaser.
- c) To sell the sites on the open market by way of offers. This is the recommended option, as it allows a purchaser to reduce their risk by making a conditional offer and will enable the Council to have discussions with interested parties with a view to ideally attempting to select a self-builder purchaser.

## **5 Conclusions**

5.1 This report seeks approval to declare the two self-build sites at Stonecliffe Drive, Farnley, surplus to Council requirements and to sell the sites by way of inviting offers.

## **6 Recommendations**

- 6.1 It is recommended that approval to declare the two self-build sites at Stonecliffe Drive, Farnley, surplus to Council requirements and to sell the sites by way of inviting offers.

## **7 Background documents<sup>1</sup>**

- 7.1 None.

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.