BARNSLEY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan

Report of the Director of Finance, Assets and IT

SALE OF LAND AT KING STREET ELSECAR BARNSLEY

1. Purpose of Report

1.1 To approve the disposal of the surplus land at King Street Elsecar shown edged black on the attached plan to DJ Atkinson Construction, by way of a conditional contract, which will be subject to satisfactory planning consent being achieved for a proposed residential redevelopment of the site.

2. Recommendations

- 2.1 That the Director of Finance, Assets and IT be authorised to exchange conditional contracts on the sale to DJ Atkinson Construction immediately.
- 2.2 That the Head of Service, Assets be authorised to finalise the heads of terms and contract details for the proposed disposal.
- 2.3 That the Director of Legal & Governance be authorised to complete the sale of the site to DJ Atkinson Construction.

3. Introduction

- 3.1 Following an unsuccessful informal tendering exercise in 2014, the Council has been in negotiations with DJ Atkinson Construction with a view to them acquiring the vacant land at King Street Elsecar, shown edged black on the attached plan.
- 3.2 DJ Atkinson Construction propose, subject to obtaining satisfactory planning consent to acquire the land at King Street with a view to developing it for a scheme of around 30 affordable housing units.
- 3.3 Once the development has been completed the houses will be transferred to a registered social housing provider for affordable housing provision.
- 3.3 The negotiations are now at an advanced stage and a purchase price has been agreed, subject to obtaining satisfactory planning consent and Council approval. To this end the proposed purchaser is now liaising with the Council's planning officers in respect of their proposals for the site and a planning application has been submitted

4. **Proposal and Justification**

- 4.1 It is proposed to enter into a conditional contract with DJ Atkinson Construction. The purchase of the site will be conditional on them obtaining satisfactory planning consent for a residential development of the land.
- 4.2 The site has previously had outline planning consent for residential development, which has now expired. Therefore obtaining planning consent for the proposed development should not be problematic, subject to agreeing the finer detail such as site layout etc.
- 4.3 Subject to obtaining satisfactory planning consent the land will be developed for a scheme of affordable housing units. There is an ongoing need to increase the supply of affordable housing in Barnsley to redress the imbalance between supply and demand and bringing forward this land will go some way towards helping to redress this imbalance.
- 4.3 Aside from producing a capital receipt for the Council, the sale of this land will see the redevelopment of Council owned land that is currently vacant and surplus to requirements. This will bring the site back into use and create inward investment within the Borough, providing much needed affordable housing for the residents of Barnsley.
- 4.4 The purchase price for the land is considered to be in line with the land's market value (see Financial Implications below) and in excess of the usual rate per unit applied for the sale of affordable housing sales of £5,000 per unit.
- 4.5 The sale of this land will also remove a maintenance liability for the Council as it has been subject to incidents of fly-tipping in the past.

5. Consideration of Alternative Approaches

- 5.1 The initial informal tendering exercise was unsuccessful and retendering the site would result in addition costs to the Council. Even if a successful outcome were to be obtained as a result of a new informal tendering exercise being undertaken, there is no guarantee that any offers received would be in excess of the purchase price currently agreed with DJ Atkinson Construction.
- 5.2 Leaving the land vacant for any length of time is not an option as it would continue to be an ongoing maintenance liability for the Council.

6. <u>Local Area Implications</u>

6.1 The redevelopment of the site for residential use will provide the local area with a wider choice of house type and housing tenure. It will increase the number of new affordable housing units to meet the housing needs of local people.

7. Compatibility with European Convention on Human Rights

7.1 There are no issues arising as a result of this report.

8. **Promoting Equality and Diversity and Social Inclusion**

8.1 This proposal will improve and increase the housing accommodation on offer for the residents of the Borough.

9. Reduction of Crime and Disorder

9.1 In investigating the options set out in this report, the Council's duties under Section 17 of the Crime and Disorder Act have been considered.

10. Conservation of Biodiversity

10.1 There are no issues arising as a result of this report. Any consultation in respect of this will be considered as part of the planning application process.

11. Risk Management Issues, including Health and Safety

- 11.1 The land is a cleared site and although there is no risk attributable to empty buildings the cleared site brings its own risks.
- 11.2 As previously stated leaving the land vacant for any length of time creates a potential ongoing maintenance and / or security liability for the Council in terms of cleaning up any fly tipping that may occur on the land.
- 11.3 On disposal the health and safety management of the land will pass onto the purchasers.

12. Financial Implications

- 12.1 The sale of the land will generate a capital receipt of £250,000.
- 12.2 The purchaser will pay the Council's reasonable professional costs involved in the transaction as is normal practice.
- 12.3 There are no VAT implications arising as a result of this report.
- 12.4 The financial implications are shown in the attached Appendix A.

13. Employee Implications

13.1 There are no issues arising as a result of this report.

14. Glossary

14.1 Not Applicable

15. List of Appendices

- 15.1 Appendix A Financial Implications.
- 15.2 Appendix B Site Plan

16. <u>Background Papers</u>

16.1 Correspondence regarding this matter is held on the files in Asset Management – not available for inspection contains exempt information

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Date 10 August 2016

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Annex - Consultations

- (a) **Financial Implications** The Financial Service Manager and the Insurance and Taxation Manager have been consulted on behalf of the Director Finance, Assets & Information Services and details are given in item 12 of the report.
- (b) **Employee Implications** Not Applicable.
- (c) **Legal Implications** The Director of Legal and Governance will draft the necessary conditional contract documentation and subject to approval, exchange contracts. Following confirmation that the contract has become unconditional he will complete the sale of the land.
- (d) **Policy Implications** The proposed sale of the site is in line with the Council's Asset Disposal programme.
- (e) **ICT Implications** Not Applicable.
- (f) **Local Members** Local Members have been sent a copy of this report for comment and information.
- (g) **Health and Safety Considerations** The proposals in this report will be carried out giving full consideration to current Health and Safety Legislation.
- (h) **Property Implications** This report has been prepared by the Head of Asset Management Assets Business Unit on behalf of the Council.
- (i) **Implications for Other Services** This report has been circulated for comment to officers in the appropriate service Directorates.
- (j) Implications for Service Users Not Applicable.
- (k) **Communications Implications** None.