

REPORT FROM: CHIEF EXECUTIVE
TO: COLNE AND DISTRICT COMMITTEE
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DISPOSAL OF LAND AT END STREET, COLNE

PURPOSE OF REPORT

To recommend that Members request the Policy and Resources Committee to declare the land shown edged black on the plan surplus to requirements.

RECOMMENDATION:

That Members approve the request and refer the matter to Policy and Resources Committee to declare the land denoted as Area "B" on the plan surplus and authorise the Chief Executive to negotiate and agree terms for the sale of the land for residential development by private treaty with the purchasers of the Council's land opposite.

REASON FOR RECOMMENDATION:

To secure development on this vacant site and to generate a capital receipt. Development on the site by the purchaser of the land opposite, Area "A" would also bring economies of scale in development costs and thus generate a higher capital receipt than if offered to the market by way of tender. Its disposal would also remove any maintenance liability from the Council as land owner going forward and provide the local community with good quality affordable housing.

BACKGROUND

1. The Council own a number of small cleared sites within Bunkers Hill, which were acquired in connection with the proposed motorway extension. Adjoining areas of land were also acquired by Lancashire County Council (LCC) at the same time for similar purposes.
2. LCC have recently sold a package of sites within the area to a developer who is also purchasing Council land denoted as Area "A" on the attached plan. Area "A" was declared surplus by Policy and Resources Committee 18th September, 2018 and recently tendered. A price of £40,000 was recently agreed for the sale of the land and the purchaser is keen to build high quality affordable housing in Colne on the various small sites it has acquired.

3. Discussions are being held with the purchaser about the potential to develop other Council sites within Bunkers Hill and the Borough generally and Area “B” has been previously identified as an opportunity for development.

ISSUE

4. The recent tender exercise of land within Bunkers Hill resulted in just one offer for the land on End Street, which achieved a reasonable capital receipt as set out above. The site is limited in size but may accommodate four good quality affordable homes, subject to planning consent.
5. The purchaser has been approached with a view to him possibly acquiring Area “B” which is steeply sloping and may not be of interest to developers due to gradient and size. The site would however be of interest to the purchaser of Area “A” as he would already have a local presence whilst developing adjacent sites in the area and has agreed that he would pay a price for the land on the same basis as received for Area “A”.
6. Liberata’s Senior Surveyor considers that the site would be of limited interest to other developers and that developing the site as a stand-alone site would carry higher costs and result in a lower offer being made. Economies of scale and shared costs of development across the various sites would be available to the purchaser of Area “A” to enable him to make a bid on the same basis for Area “B” as agreed on Area “A”.
7. Agreeing a sale by way of private treaty would therefore ensure that a high quality development consistent with the proposals for the other sites nearby would be forthcoming at affordable prices in the Bunkers Hill area.
8. The disposal would be subject to the purchaser securing planning consent as a condition of sale. A disposal would also be with covenant that the design of the proposed houses be agreed with the Council prior to submission of a planning application to ensure a high quality scheme is built.
9. A disposal of the site would remove the Council from any ongoing maintenance liability.

IMPLICATIONS

Policy: The Council seeks to identify surplus land property for inclusion within its disposal programme in order to receive capital receipts.

Financial: To remove a potential maintenance burden and generate a capital receipt.

Legal: No legal implications are considered to arise directly from this report.

Risk Management: On disposal of the property all risks and liabilities will cease for the Council

Health and Safety: No implications are considered to arise directly from this report.

Climate Change: No implications are considered to arise directly from this report

Community Safety: See risk management

Equality and Diversity: No implications are considered to arise directly from this report

APPENDICES

Location plan

LIST OF BACKGROUND PAPERS

None