



CABINET

7 November 2012

REPORT

Subject Heading:

Disused land adjacent to Melville Road Allotments, Rainham

Cabinet Member:

Councillor Roger Ramsey, Cabinet Member for Value

CMT Lead:

Andrew Blake-Herbert, Group Director, Finance & Commerce

Report Author and contact details:

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Policy context:

The criteria for retaining ownership of land and property assets is set out in the Corporate Asset Management Plan.

Financial summary:

The disposal of the land identified in this report would generate a capital receipt that would accrue interest until it was used to deliver the capital programme.

Is this a Key Decision?

Yes

Is this a Strategic Decision?

No

When should this matter be reviewed?

Not Applicable

Reviewing OSC:

Value and Towns & Communities OSCs

The subject matter of this report deals with the following Council Objectives

Clean, safe and green borough	<input type="checkbox"/>
Excellence in education and learning	<input type="checkbox"/>
Opportunities for all through economic, social and cultural activity	<input type="checkbox"/>
Value and enhance the life of every individual	<input type="checkbox"/>
High customer satisfaction and a stable council tax	<input checked="" type="checkbox"/>

SUMMARY

- 1.1 At various occasions over the last few years Cabinet approval has been given to the disposal of a number of Council owned sites that had been identified as surplus either as a result of specific projects or more general property reviews carried out by Strategic Property Services.
- 1.2 As the Council has pursued a policy of selling surplus sites for many years it becomes more difficult to identify new sites for disposal that do not pose challenges, either technically or in terms of planning, and especially in respect of objections to disposal that arise in many cases. Nonetheless, constant and ongoing appraisal of property assets to identify disposal opportunities is a requirement on all local authorities and at Havering is essential in providing capital receipts to fund spending to support and enhance Council services.
- 1.3 This report identifies a site comprising of 2.13 acres of land adjoining Melville Road allotments that has remained unused for 24 years. It is recommended that the site could be re-used in part to extend the adjoining allotment site with the remainder being sold for residential development.

RECOMMENDATIONS

- 2.1 **That the disused land adjacent to Melville Road Allotments be declared surplus and authorisation be given for a disposal of about 1.53 acres and for the creation of additional allotment plots in respect of about 0.6 acres of land in accordance with the allotment waiting list requirements for the site. The disposal will be subject to obtaining any necessary planning permissions and other consents as appropriate. The Property Strategy Manager in consultation with the Assistant Chief Executive (Legal and Democratic Services) to be authorised to deal with all matters arising and thereafter to complete the disposal of the site identified. The disposal will be subject to the approval of the Secretary of State for Communities and Local Government.**
- 2.2 **To approve the principle that the land should be appropriated for planning purposes subject to the relevant statutory processes and that the Property Strategy Manager, in consultation with the Assistant Chief Executive (Legal & Democratic Services) be authorised to undertake these processes and for the Lead Member for Value to consider any objections received and whether to confirm the appropriation.**

REPORT DETAIL

- 3.1 Over the last few years the Cabinet has considered several reports that dealt with the results of a number of systematic property reviews and service led projects that identified surplus property assets. Following this consideration, approval has been given to a number of property disposals.
- 3.2 The Council's Asset Management Plan states that land and property assets should only remain in Council ownership if they:
- need to be retained in Council control for the provision of services
 - are of great value to the Council, community and other stakeholders and are in need of the degree of protection from development or other uses afforded only by ownership
 - are investment properties providing a financial return that can fully satisfy relevant investment criteria
- 3.3 As well as ensuring that the portfolio of retained property is suitable for the operational needs of the Council, there is a continuing need to generate capital receipts from the disposal of assets in order to pursue capital projects. The review and identification of new disposal and capital receipt opportunities make an essential contribution to funding the Council's capital programme.
- 3.4 The combination of these factors has highlighted the need for a continuing systematic review of the Council's assets to ensure that those that continue to be retained match one of the definitions in paragraph 3.2 above and those that do not are considered for disposal or re-use.
- 3.5 The required outcome of any asset disposal is to ensure that the Council's assets are managed efficiently and that their value makes a positive contribution to service delivery. However, where the site is to be redeveloped in accordance with the Council's planning policies the disposal may also assist in the pursuit of certain planning objectives.
- 3.6 As part of the ongoing review of Council owned sites, the disused land adjacent to Melville Road allotments has been identified for disposal.
- 3.7 Historically, the full allotment site (including the disused land) was managed by Hornchurch and District Allotments & Gardening Society Limited. However, high levels of vacancies due to a lack of demand for such use resulted in the Society relinquishing the land for allotment use. The site has, therefore, been vacant since 1988.
- 3.8 Due to the historic use of the site, it has the notation of being held as a statutory allotment site and in accordance with the Allotments Act

1925, a local authority cannot dispose of such land without the consent of the Secretary of State. In connection with this, the Secretary of State will require confirmation that:

- the land is not necessary or is surplus to requirements,

The land has been vacant for the past 24 years with no requirement for its use. This report formalises the fact that it is surplus to requirements.

- the Council will provide displaced plot holders with alternative sites,

The land is disused. As such, no plot holders will be displaced as a result of any disposal.

- the number of people on the waiting list has been taken into account,

As will be seen from later in the report, the waiting list has been taken into account and additional allotment land will be provided within the site.

- the Council has actively promoted and publicised the availability of allotment sites,

The Council actively promotes and publicises its allotments via its website.

- the Council has consulted the National Society of Allotment and Leisure Gardeners (NSALG).

No formal contact has been made with the NSALG at the present time. However, it is understood that the NSALG would contact the allotment society to ascertain whether any representation was required on their behalf. As set out below, the allotment society is working with the Council on the opportunity to increase its allotment provision on the site and to improve existing features.

- 3.9 Ahead of any approach to the National Society of Allotment and Leisure Gardeners, Officers of the Council have met with the allotment society responsible for the existing allotments to discuss the Council's plans for the site. There is broad agreement with the society that an additional 0.6 acres of land would meet its waiting list and provide a manageable expansion for the society. As such, it is proposed that about 0.6 acres will be added to the Melville Road allotment site in order to provide the additional allotment land required. The allotment society and the Council are working on the logistical details of where new plots would be provided together with other accommodation works such as additional car parking, water supplies, fencing and horticultural matters. The remaining site area of around 1.53 acres of land would be pursued for disposal.

- 3.10 A development scheme will be prepared and pursued prior to any disposal taking place. Planning and access issues have been considered by the relevant Officers and it is considered that residential use may be acceptable in principle subject to the justification of lost open space. It should be noted, however, that it will be necessary for the individual characteristics and constraints of the site to be considered in the context of a development scheme before the planning position can be finally determined.
- 3.11 Subject to the Secretary of State approving the disposal of the vacant field, it is proposed that the land will be appropriated for planning purposes
- 3.12 All Council owned land is held for a particular purpose and if this purpose changes over time, it is now considered prudent to formally record this by a process known as “appropriation”.
- 3.13 It is the case that many developers and potential purchasers now consider that an appropriation for planning purposes is part of the process of proving that the Council’s legal title in the land is clear and that there are no legal obstacles to disposal or redevelopment – save for planning consent.
- 3.14 The Council is authorised to appropriate land that it owns for planning purposes under Section 122 of the Local Government Act 1972 which, subject to a number of provisions allows “a principal council to appropriate land which belongs to the Council and is no longer required for the purpose for which it was held immediately before the appropriation....”.
- 3.15 When the appropriation is in respect of open land, the Council is required under Section 122(2A) of the Local Government Act 1972 to advertise its intention to do so for 2 consecutive weeks in a local newspaper and then to consider any objections received. Only after considering any such objections can the Council take the final decision to proceed with the appropriation. It is proposed that the date by which any such objections must be submitted should be set at the date which is 4 weeks from the publication of the first advertisement.

REASONS AND OPTIONS

4 Reasons for the decision:

- 4.1 In order to improve the efficiency of the Council’s portfolio of land and property assets and to generate further capital receipts it is important to ensure that surplus assets continue to be identified for disposal. It is

also good practise to appropriate to formally acknowledge a proposed change of use for the site.

5 Other options considered:

- 5.1 If the site is not sold, the most likely alternative is that it will remain in its current use or will remain vacant.
- 5.2 If the site is not sold, it is likely that the capital programme will have to be reduced or funded from borrowing which will incur additional revenue costs.

IMPLICATIONS AND RISKS

6 Financial implications and risks:

- 6.1 The disposal of the property identified in this report would generate a capital receipt that would accrue interest until it was used in part financing the capital programme.
- 6.2 Interest on the receipt identified will be dependent on the timing and size of the receipt but will be available until the receipt is used for capital purposes.
- 6.3 Capital presale expenses up to the allowable maximum will be offset against the capital receipt. Any costs over and above this, or of a revenue nature will be met through the prioritisation of existing resources.
- 6.4 There is a risk that the disposal proceeds may be less than anticipated or that additional pre-sale expenses may be identified in which case the Property Strategy Manager would reconsider the position in consultation with the Cabinet Member for Value.
- 6.5 Costs will be incurred in connection with the proposed appropriations. This will involve publishing adverts in the local press for two consecutive weeks. The cost of the adverts will be met from the pre-sale expense budgets initially and will offset against the capital receipt as completion takes place.
- 6.6 It is the intention to appropriate the site for planning purposes.
- 6.7 It is anticipated that the use of the receipt from the disposal may be subject to some influence by the National Society of Allotment and Leisure Gardeners. This will, however, be established during the consultation required prior to the submission to the Secretary of State.

7 Legal implications and risks:

- 7.1 There are covenants on the land but none which would preclude development.
- 7.2 There are no direct legal implications in the property review itself or in identifying that certain properties are potentially surplus to the Council's requirements and can be sold.
- 7.3 The legal implications for each individual disposal will be considered as it is brought to the market.
- 7.4 The Council will have to make a case to the Secretary of State to release the vacant field alongside Melville Road allotments. The application will then be actively considered by the Secretary of State before a decision is made.

8 Human Resources implications and risks:

- 8.1 The report deals with the disposal of surplus land and buildings and therefore has no direct Human Resources implications or risks

9 Equalities implications and risks:

- 9.1 The report deals with the disposal of surplus land and buildings and therefore has no Equalities or Social Inclusion implications or risks.

BACKGROUND PAPERS

- 10 None