

TITLE OF REPORT : FORMER DEPOT SITE, ICKNIELD WAY LETCHWORTH

**REPORT OF THE HEAD OF FINANCE, PERFORMANCE & ASSET
MANAGEMENT**

1. SUMMARY

- 1.1 To seek the Committee's views on proposals to sell 2.5 acres of land at Icknield Way, Letchworth following its consideration by Cabinet at its meeting of 25 September 2012 (minute 52).

2. FORWARD PLAN

- 2.1 This report contains a recommendation on a key decision that was first notified to the public on the forward plan July 2012.

3. BACKGROUND

- 3.1 The District Council owns/leases the 2.5 acre site Icknield Way, Letchworth as identified and outlined on the attached plan.
- 3.2 For reasons of health and safety the buildings on site were demolished in 2010. 0.3 acres of the site is owned freehold by the Council with the larger remaining 2.2 acres leased by Letchworth Garden City Heritage Foundation to the Council under the remainder of a 999 year lease from 1920. The lease restricts the use of the site to "house refuse pulveriser and depot".
- 3.3 At its meeting on 22 March 2011, Cabinet made an in principal decision to declare the site surplus to the Council's requirements subject to a further report back to Cabinet. This decision was ratified by Cabinet on 25 September 2012 subject to consultation with Letchworth Committee.
- 3.4 Letchworth Garden City Heritage Foundation has indicated that it would like to work with the Council to jointly sell the site for redevelopment. This partnership approach should be beneficial for both parties as it will release value early for them both and will also overcome the restriction on use in the present lease.

3.5 At the meeting of 25 September 2012, Cabinet resolved:

1) That, subject to the Letchworth Committee raising no substantive objections to the proposal, the Council's interest in the 2.5 acre former Depot site in Icknield Way, Letchworth Garden City be offered for sale on the open market jointly with Letchworth Garden City Heritage Foundation;

(2) That, following receipt of the offers, the decision on which one to accept be delegated to the Strategic Director of Finance, Policy and Governance, in consultation with the Portfolio Holder for Finance and IT; and

(3) That the terms of the split of the joint capital receipt from the disposal of the site with Letchworth Garden City Heritage Foundation be delegated to the Strategic Director of Finance, Policy and Governance, in consultation with the Portfolio Holder for Finance and IT.

4. ISSUES

4.1 Subject to consultation with Letchworth Committee raising no substantive objections it is proposed that the Council's freehold and leasehold interests of the 2.5 acre site are marketed for sale shortly, possibly in early 2013. Subject to planning it seems likely that it will be of interest to residential developers. Business users and commercial developers may also be interested but are unlikely to be able to offer values to match residential use.

5. LEGAL IMPLICATIONS

5.1 The Area Committee has within its terms of reference to consider the policies and actions of Cabinet as to their appropriateness to needs and aspirations of the local community.

5.2 The Contract Procurement Rules, Part I Land Transactions apply and any marketing would be carried out within the remit of Contract Procurement Rules

5.3 Section 123 Local Government Act 1972 allows the Council to dispose of land in any manner it wishes provided that the consideration is the best that can be reasonably obtained, unless the Secretary of State consents

5.4 There may be specific legal implications relevant to the sale of the property e.g, covenants on title , easements, third party rights.

5.5 The New Homes Bonus is paid through S.31 of the Local Government Act 2003 as an un-ringfenced grant.

6. FINANCIAL AND RISK IMPLICATIONS

- 6.1 The sale of assets reduces the risk to the Council arising from the duties under the Occupiers Liability Act 1957 and 1984.
- 6.2 The sale will generate a capital receipt to assist in funding the Council's capital investment programme.
- 6.3 For residential developments, Central Government will provide New Homes Bonus funding for six years on the basis of the national Band D average (£1,439 for 2011). Currently this is split 80% to the District Council and 20% to the County Council, with an additional £350 per year to the District for each affordable home. This broadly equates to at least £1,100 per house per annum due to NHDC.

7. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS

- 7.1 In accordance with 3.5 (1), the views of the Area Committee are now being sought. .

8. HUMAN RESOURCE AND EQUALITIES IMPLICATIONS

- 8.1 The Equality Act 2010 came into force on the 1st October 2010. The Act created a new Public Sector Equality Duty, which came into force on the 5th April 2011. There is a general duty, described in 8.2, that public bodies must meet, underpinned by more specific duties which are designed to help meet them.
- 8.2 In line with the Public Sector Equality Duty, public bodies must, in the exercise of its functions, give **due regard** to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 8.3 There are no equalities or human resource issues arising from this report.

9. RECOMMENDATIONS

- 9.1 That as part of the consultation process, the Committee gives its views on the proposal to sell the Council's interests in the 2.5 acre site Ickniel Way, Letchworth.

10. REASONS FOR RECOMMENDATIONS

- 10.1 To provide a financial receipt to help fund the 2012 to 2016 capital programme.

- 10.2 Marketing the land on the open market will maximise interest in the land from a variety of developers and satisfy the requirements to obtain the best consideration reasonably obtainable.

11. LOCATION PLAN

- 11.1 Plan attached for identification purposes only

12. REPORT AUTHOR

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14. BACKGROUND PAPERS

- 14.1 Land Registry title nos. HD497398 & HD516061, Min. 52, Cabinet 25
September 2012