

TITLE OF REPORT : 0.55 ACRE SITE, LUMEN ROAD, ROYSTON**REPORT OF THE HEAD OF FINANCE, PERFORMANCE & ASSET
MANAGEMENT****1. SUMMARY**

- 1.1 To seek Committee's views on proposals to sell approximately 0.55 acres of land at Lumen Road, Royston.

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 in July 2012.

3. BACKGROUND

- 3.1 The District Council owns freehold land HD438091 of approximately 1.6 acres at Lumen Road, Royston. The site comprises the roadway, site of a former gas works, a warehouse and yard owned by the Council and the letting of two ground leases upon which warehouses have been constructed by the long leaseholders. This report relates to approximately 0.55 acres of land being identified by outlining on the attached plan, which is the site of the former gas works and the adjacent warehouse and yard.
- 3.2 In 2009 the District Council was served a formal notice designating some of its land in Lumen Road as contaminated and specifically as a Special Site under Part 2A of the Environmental Protection Act 1990.
- 3.3 Due to the nature of the notice it was agreed to accept an early surrender of the lease from the tenant of the warehouse and yard. The contamination notice effectively made the premises unlettable.
- 3.4 As landowner, the District Council was obliged to address the contamination. Consultants were appointed to advise on how to progress remedial works. A contractor was then appointed. Remedial works were agreed with the Environment Agency (the enforcing authority) with the aim of protecting and enhancing groundwater quality by significantly reducing the source of cyanide contamination within the ground. This was to be achieved by the excavation of hotspots of cyanide contamination and the disposal of the resulting material at a licensed waste disposal site. The remediation work was formalised in a Remediation Statement and its implementation was documented in a Verification Report, both of which were agreed with the Environment Agency.

It should be noted that because of the industrial/commercial land use of the site and budgetary constraints, it was never the intention, nor was it deemed cost effective, to completely remediate the site. Therefore, it remains the case that the site is impacted by contamination that originated from the historic

land use of the site as a gas works and that any future change of use will require additional remediation work.

- 3.5 At a meeting of Cabinet on 22 March 2011, an 'in principle' decision was made 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 1 November 2012, subject to consultation with Royston and District Committee raising no substantive objections to the proposal. At that meeting Members requested that additionally Royston Town Council and the Town Centre Manager be informed of the proposals.

4. ISSUES

- 4.1 It is recommended that the freehold of the 0.55 acre site is marketed for sale shortly. Subject to planning it seems likely that it may be of interest to residential developers for new homes despite the contamination issues. The offers received will be reported back to Cabinet.

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 the needs and aspirations of the local community.
- 5.2 There may be specific legal implications relevant to the sale of the property e.g. covenants on title, easements, third party rights.
- 5.3 The New Homes Bonus is paid through S.31 of the Local Government Act 2003 as a non-ringfenced grant.
- 5.4 The Contract Procurement Rules and specifically Appendix I apply to the sales of land or property. If Cabinet were to sell this land the officers seeking to market and dispose of the land would be required to do so within the remit of the Contract Procurement Rules.
- 5.5 Section 123 of Local Government Act 1972 allows a 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 to the disposal.

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. The sale will also generate a capital receipt to assist in funding the Council's capital investment programme.
- 6.2 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.
- 6.3 Therefore, if this site was progressing for residential use and assuming 20 homes were to be built, this development would represent a New Homes Bonus sum in the region of £23,000 per year for six years.

- 6.4 The value to be realised by this sale of land will need to recognise the costs the purchaser will incur in ensuring the site is safe for the proposed future use. However this sale would also mean that the Council did not incur any future costs for remediation work.
- 6.5 Prior to the remediation works, the site was identified on the Council's risk register due to the risk of contamination of the groundwater. Following completion of the remediation work outlined in 3.4 there remains a financial risk associated to contamination clean-up costs for disposal sites.
- 6.6 If no purchaser is found for this site the Council will need to re-assess the options for the long-term remediation of the site.

7. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS

- 7.1 The views of Royston and District Committee are being sought at this meeting. Cabinet also requested that Royston Town Council and the Town Centre Manager be informed of the proposals.

8. HUMAN RESOURCE AND EQUALITIES IMPLICATIONS

- 8.1 There are no human resource or equality implications arising from this report.

9. RECOMMENDATION

- 9.1 That as part of the consultation process, Royston & District Committee gives its views on the proposal to sell the 0.55 acre site at Lumen Road, Royston.

10. REASONS FOR RECOMMENDATION

- 10.1 To provide a financial receipt to help fund the 2012 to 2016 capital programme and also to remove future council liabilities for remediation work.

11. LOCATION PLAN

- 11.1 The location plan is attached at Appendix A for identification purposes only.

12. REPORT AUTHOR

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14. BACKGROUND PAPERS

14.1 Land Registry freehold title No. HD438091.
Contaminated Land notice 22 April 2009
Cabinet 1 November 2012