

Cabinet Member for Regeneration and Assets Agenda

Date: Tuesday, 15th September, 2015
Time: 9.00 am
Venue: Committee Suite 1 & 2, Westfields, Middlewich Road,
Sandbach CW11 1HZ

1. **Apologies for Absence**

2. **Declarations of Interest**

To provide an opportunity for Members and Officers to declare any disclosable pecuniary and non-pecuniary interests in any item on the agenda.

3. **Public Speaking Time/Open Session**

In accordance with Procedure Rules Nos.11 and 35 a period of 10 minutes is allocated for members of the public to address the meeting on any matter relevant to the work of the body in question. Individual members of the public may speak for up to 5 minutes but the Chairman or person presiding will decide how the period of time allocated for public speaking will be apportioned where there are a number of speakers. Members of the public are not required to give notice to use this facility. However, as a matter of courtesy, a period of 24 hours' notice is encouraged.

Members of the public wishing to ask a question at the meeting should provide at least three clear working days' notice in writing and should include the question with that notice. This will enable an informed answer to be given.

4. **Sale of Land at Cypress House, Handforth (Pages 1 - 6)**

To seek approval to re-market this property.

5. **Sale of Ethel Elks/Hilary Centre, Crewe (Pages 7 - 14)**

To seek approval for the disposal of these properties.

For requests for further information

Contact: Cherry Foreman

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E-Mail: cherry_foreman@cheshireeast.gov.uk with any apologies

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CHESHIRE EAST COUNCIL

REPORT TO PORTFOLIO HOLDER – REGENERATION AND ASSETS

Report of: Executive Director of Economic Growth and Prosperity

Subject/Title: Sale of Land at Cypress House, Handforth

Date of Meeting: 14 September 2015

Portfolio Holder: Councillor Don Stockton - Regeneration and Assets
Portfolio Holder

1.0 Report Summary

- 1.1 The purpose of this report is seeking approval to re-market the property known as Cypress House, Handforth, inviting offers on both conditional and unconditional basis.

2.0 Recommendation

- 2.1 To seek approval to re-market the property inviting offers for the site and accept an offer based on the preferred development of the site, Instruct legal services and for them to proceed to legal completion on terms and conditions as agreed by the Assets Manager and Head of Legal Services and Monitoring Officer.

3.0 Reasons for Recommendation

- 3.1 A cabinet decision was made in 14th March 2011 to dispose of a number of properties for affordable housing. Cypress House was one of the sites earmarked for disposal for affordable housing.
- 3.2 A sale was agreed with a housing association in 2013; however following further due diligence by them the scheme was confirmed for them as unviable therefore the purchaser was unable to proceed at the agreed level of offer.
- 3.3 The property is included within the Council's disposals programme and the sale of the property will make a contribution towards the current 3 year disposals target.
- 3.4 Sale of this site will relieve the Council of unnecessary holding costs which are currently circa £26,000 per annum.

4.0 Wards Affected

- 4.1 Handforth

5.0 Local Ward Members

- 5.1 Cllr Dennis Mahon
Cllr Bary Burkhill

6.0 Policy Implications

- 6.1 There are no perceived policy implications

7.0 Implications for Rural Communities

- 7.1 There are no implications for rural communities.

8.0 Financial Implications

- 8.1 The Council will achieve a capital receipt from the sale of Cypress House.
- 8.2 Sale of the site will relieve the Council of its annual holding costs once a sale is completed.

9.0 Legal Implications

- 9.1 Disposals will be subject to means of accountability to include best value being obtained. State Aid considerations may fall to be considered, and in some transactions the complexity may involve procurement legislation, application of the contract procedure rules, and for due diligence information/material, depending on each particular set of circumstances. When the method of disposal has been determined and terms of sale agreed specific tailored advice will be given on how to manage and achieve the disposal within legal constraints.

State Aid is any advantage granted by public authorities through state resources on a selective basis to any organisations that could potentially distort competition and trade in the European Union (EU).

10.0 Risk Management

- 10.1 The risk management issues associated with the proposed disposal are as follows:-
 - The end use may not be a preferred use to the local residents i.e. high density housing scheme; retail; another care home facility.
 - An offer that is subject to planning may fail to complete / delay sale or the end receipt may be reduced if a purchasers due diligence leads to unforeseen abnormalities.

- If likely to accept an unconditional offer this may mean accepting a lower headline sum than a subject to planning offer.
- The Council may receive a lower offer than the previous sale figure agreed.

11.0 Background

- 11.1 The site extends to approximately 0.77 acres (0.315 ha) and provides a two storey former care home facility with associated car parking areas and landscaping.

The former care home measures approximately 16,002 sq ft (1,483 sq m) in total and provides 31 bedrooms, most of which provide en-suite WC facilities, plus a kitchen, several living areas/sitting rooms and staff offices. The buildings are in a semi-dilapidated state having been left vacant for a number of years.

The site is predominantly level throughout and approximately 26% building covered. The north western section of the site provides a tarmac parking area with delineated spaces for approximately 10-15 vehicles.

The property may be suitable for conversion or commercial/residential redevelopment, subject to obtaining the necessary planning consent.

The site has the benefit of planning for a development of 13 affordable housing units.

The preferred strategy for marketing is to put the property to the market, inviting offers. Any such offers may be conditional and unconditional with the highest value resulting from an unrestricted sale for residential development.

It is proposed that all offers be assessed using a decision making matrix according to the following criteria:

- Price Offered
- Proof of Funding
- Timescales to Complete
- Track Record of the Offeror

12.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

Name: Steve Plack

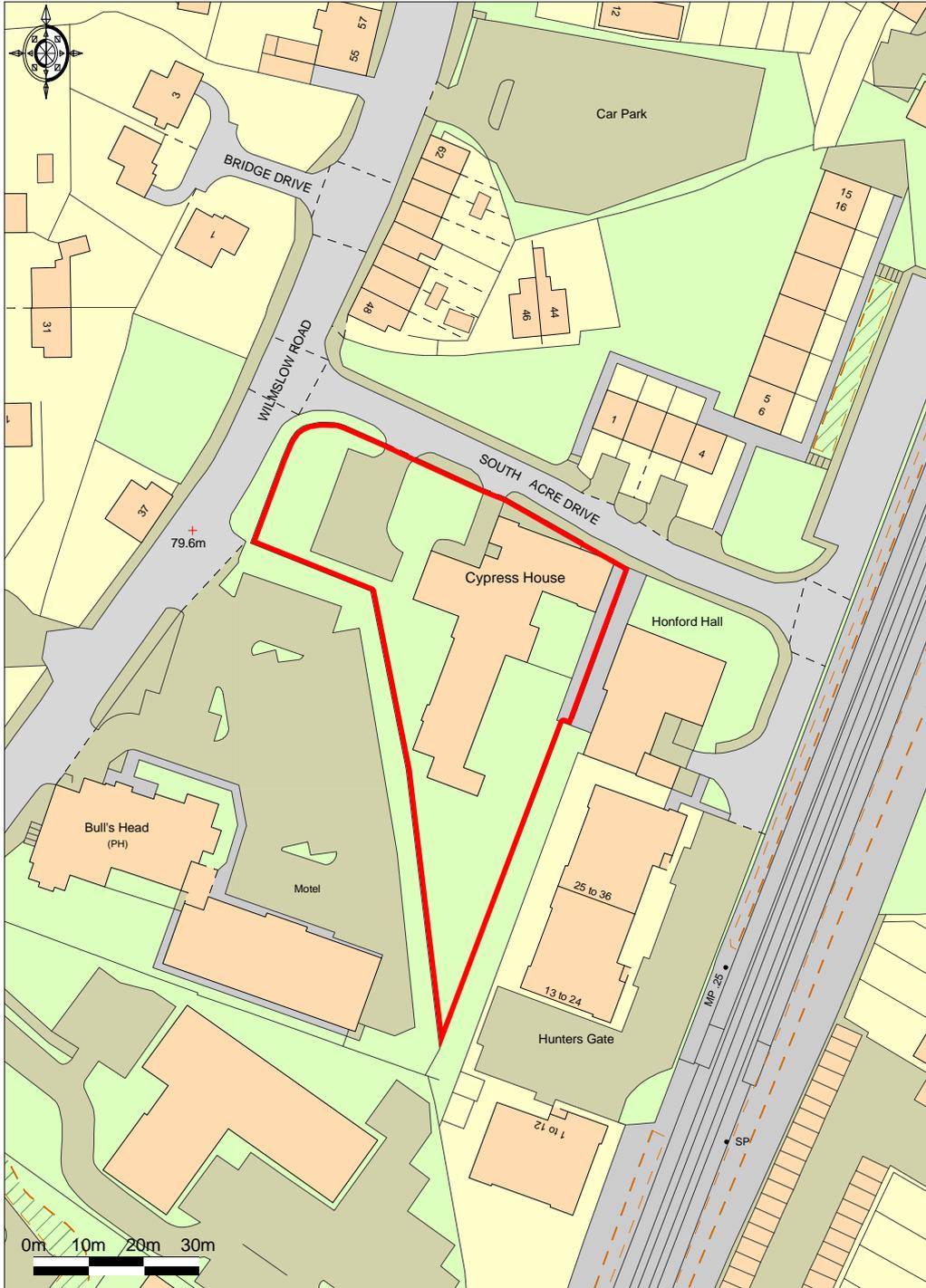
Designation: Senior Surveyor

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Cypress House, Handforth
Transfer Plan



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Paper: A4
Date: 16 June 2015

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CHESHIRE EAST COUNCIL

CABINET MEMBER FOR REGENERATION AND ASSETS

Report of: Executive Director of Economic Growth and Prosperity

Subject/Title: Sale of Ethel Elks / Hilary Centre, Crewe

Date of Meeting: 14 September 2015

Portfolio Holder: Councillor Don Stockton

1.0 Report Summary

- 1.1 The purpose of this report is seeking approval to declare the properties known as the Hilary Centre and Ethel Elks surplus to the requirements of Cheshire East Council and dispose of the property on the open market by the most appropriate method of sale, instruct legal services and proceed to legal completion.

2.0 Recommendation

- 2.1 That the Council declare the properties surplus to requirements of Cheshire East Council and dispose of the property via Private Treaty for residential development on terms and conditions to be agreed by the Assets Manager and Head of Legal Services and Monitoring Officer.
- 2.2 Further to 2.1 to seek the necessary approval to instruct Legal Services to prepare the contract documentation and proceed to legal completion on terms and conditions to be agreed by the Assets Manager and Head of Legal Services and Monitoring Officer.

3.0 Reasons for Recommendation

- 3.1 The property is included within the Council's disposals programme with an anticipated completion of sale in the 2016/17 financial year and the sale of the property will make a contribution towards the current 3 year disposals target.
- 3.2 The existing services are to be relocated to the new Crewe Lifestyle Centre in early 2016 and once vacated the Council will be left with an empty asset and incur unnecessary holding costs
- 3.3 The Council are looking at reducing its expenditure on its surplus Assets; therefore in allowing the early marketing of this Asset and accepting a preferred offer will enable the Council to eliminate / reduce the high holding costs associated with a building of this size.
- 3.4 One of the key priorities identified within Cheshire East's Housing Strategy is the delivery for both market and affordable housing. Disposal of this property for residential development will help alleviate the supply

and demand within Cheshire East. In addition, the Council will benefit from any new homes bonus once the site is built out.

4.0 Wards Affected

4.1 Crewe Central Ward

5.0 Local Ward Members

5.1 Councillor Dorothy Flude and Councillor Stephen Hogben

6.0 Policy Implications

6.1 There are no perceived policy implications.

7.0 Implications for Rural Communities

7.1 There are no implications for rural communities.

8.0 Financial Implications

8.1 A sale of the property will result in the Council reducing its holding costs for the property and receiving a capital receipt. The sale is likely to be subject to planning and therefore likely to complete within the 2016/17 financial year.

8.2 The Council will receive Council tax from a residential development and the new homes bonus.

9.0 Legal Implications

Disposals will be subject to means of accountability to include best value being obtained. State Aid considerations may fall to be considered, and in some transactions the complexity may involve procurement legislation, application of the contract procedure rules, and for due diligence information/material, depending on each particular set of circumstances. When the method of disposal has been determined and terms of sale agreed specific tailored advice will be given on how to manage and achieve the disposal within legal constraints.

10.0 Risk Management

10.1 There are no risk management issues associated with the proposed disposal.

11.0 Background

11.1 The Property / Location

The land comprises 0.442 ha (1.092 acre) freehold site, providing two detached buildings known as the Ethel Elks Family Centre and the Hilary Centre.

Both properties comprise a series of single storey buildings surmounted by flat bitumen covered roofs with brickwork elevations, incorporating uPVC double glazed windows. The eastern section of the site provides a lawned garden and children's play area.

The site provides parking for approximately 35 vehicles.

The site is situated to the east of Salisbury Avenue in Crewe, approximately 1.5 miles south west of the town centre and 1 mile west of Crewe railway station. The surrounding area is predominantly residential and is relatively popular with students, with Manchester Metropolitan University's Cheshire Campus situated just over 1 mile to the east.

The site is located in an area subject to the Borough of Crewe and Nantwich Replacement Local Plan. The site is allocated as being within the Crewe and Nantwich Settlement Boundary but is otherwise unallocated.

It is considered that the properties may be suitable for a variety of commercial uses and we believe that interest may be forthcoming from commercial occupiers (e.g. offices, children's nurseries) for the buildings as existing.

The site is considered to be most suitable for residential development of traditional two, three and four bedroom houses and/or low rise apartments, either for private occupation or as student accommodation. Should high density schemes of three or more storeys be feasible then the values set out in section 11 could be enhanced.

The estimated prices achievable assume that market value sales would be undertaken on an unrestricted freehold basis with an affordable use sold on 125 year long leases.

Site values can be sensitive to abnormal ground conditions, site development costs, statutory financial contributions, affordable housing ratios, site configuration and the developable area; factors which can only be fully assessed during detailed due diligence.

It is assumed there to be no significant adverse ground conditions.

11.2 General

The site may be suitable for a variety of commercial uses and interest may be forthcoming from commercial occupiers (e.g. offices, children's nurseries) for the buildings as existing.

The site is considered to be most suitable for residential development of traditional two, three and four bedroom houses and/or low rise apartments, either for private occupation or as student accommodation. Should high density schemes of three or more storeys be feasible then the values could be enhanced.

The estimated prices achievable assume that market value sales would be undertaken on an unrestricted freehold basis with an affordable use sold on 125 year long leases.

In addition to assessing comparable land sales, the Councils appointed agents have also undertaken a 'high level' residual appraisal for the market housing values and adopted a per unit land value for the affordable schemes.

Site values can be sensitive to abnormal ground conditions, site development costs, statutory financial contributions, affordable housing ratios, site configuration and the developable area; factors which can only be fully assessed during detailed due diligence.

It is therefore assumed there to be no significant adverse ground conditions.

11.3 Options:-

Option 1 - Sell with restriction for development of affordable housing via private treaty

This option would likely involve offers conditional upon planning consent for affordable housing.

The likely sale period would be 12-18 months (subject to planning consent)

Option 2 - Sell with no restriction for development via private treaty

This option would invite unconditional offers only

The likely sale period would be 6 – 9 months

Option 3 - Sell with no restriction for development (i.e. market value housing) via private treaty.

This option would invite offers conditional upon planning consent and unconditional offers.

The likely sale period would be 12-18 months (subject to planning consent)

12.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

Name: Steve Plack

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