

# **CHESHIRE EAST COUNCIL**

## **REPORT OF PORTFOLIO HOLDER FOR FINANCE**

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**Date of Meeting:** 24<sup>th</sup> March 2014

**Report of:** Director of Economic Growth and Prosperity

**Subject/Title:** Land at Wilmslow Road, Alderley Edge

**Portfolio Holder:** Councillor Peter Raynes

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### **1.0 Report Summary**

- 1.1 The purpose of the report is to consider the use options available through a tender process for land off Wilmslow Road, Alderley Edge to enable the Council to retain the asset to realise any uplift in value or beneficial use which may be available at a later date.
- 1.2 Tenders have been sought from interested parties to use the land on the basis of a 50 year lease. The lease to include a restricted user clause enabling the land to be used for defined community/local economic and social benefits purpose.

### **2.0 Recommendations**

- 2.1 To approve the offer from Alderley Edge School for Girls (AESG) on terms and conditions to be determined by the Director of Economic Growth and Prosperity (or any officer she may nominate) and Head of Legal Services.

### **3.0 Reasons for Recommendations**

- 3.1 The land is deemed to be surplus to the Council's highways requirements.
- 3.2 The grant of a 50 year lease will enable the Council to retain the asset and realise any uplift in value or beneficial use which may be available at a later date.
- 3.3 The use proposed by AESG is compatible with the current status of land as green belt.
- 3.4 It is considered that the proposed use by AESG best satisfies the community benefits sought by the Council.
- 3.5 The availability of the site has been advertised on the open market. Of the deliverable schemes proposed by the interested parties, given the parameters of use for the site and the requirements of the Local Plan, it

is considered that the value offered by AESG will give the best financial receipt to the Council.

#### **4.0 Wards Affected**

- 4.1 Alderley Edge

#### **5.0 Local Ward Members**

- 5.1 Cllr Frank Keegan

#### **6.0 Policy Implications**

- 6.1 The land is considered to be surplus to the Councils highways operational requirements of Cheshire East Council.

#### **7.0 Financial Implications**

- 7.1 Cheshire East Council will receive an annual rent of £10,000 per annum.
- 7.2 In granting a 50-year lease to AESG the Council will retain the asset value of the land in question.
- 7.3 The availability of the site has been advertised on the open market. Of the deliverable schemes proposed by the interested parties, given the parameters of use for the site and the requirements of the Local Plan, it is considered that the value offered by AESG will give the best financial receipt to the Council.

#### **8.0 Legal Implications**

- 8.1 In accordance with section 123 of the Local Government Act 1972 the Council is under an obligation to obtain the best consideration reasonably obtainable upon the disposal of its property.
- 8.2 A Local Authority is able to dispose of land and buildings at less than the best consideration reasonably obtainable under the General Disposal Consent (England) 2003, if the difference between the unrestricted value of the land (i.e. the best price reasonably obtainable on terms that are intended to maximise the consideration) and the consideration for the disposal does not exceed £2 million and where the purpose for which the land is being disposed of is likely to contribute towards the achievement of the promotion or improvement of one or more of the following; economic well-being, social well-being and/or environmental well-being in respect of the whole or any part of its area or of all or any persons resident or present in its area and all other conditions and requirements of the Consent are satisfied. If a proposed disposal does not fall within the terms of the Consent a Local

Authority must apply for the Specific Consent to dispose of the Secretary of State.

- 8.3 In transferring assets the Council must behave properly to fulfil its fiduciary duty.

## **9.0 Risk Management**

- 9.1 It is considered that the risk would be minimal as the Council will safeguard the current planning status of the land and use the land for beneficial community/local economic and social purposes and retain the opportunity to realise potential future financial or beneficial use which may be available at a later date. Therefore the Council will retain the asset value of the land in question for potential disposal or otherwise when the lease comes to an end.

## **10.0 Background and Options**

- 10.1 The area of land in question is approximately 8.6 acres and is shown on the attached plan. The land was originally acquired as a part of a larger parcel for the purpose of the construction of the Alderley Edge bypass. The current planning status of the land is greenbelt.
- 10.2 The land is deemed to be surplus to the operational highway requirements of the aforementioned scheme and has been subject to the necessary administrative process in accordance with Crichel Down Rules without claim of acquisition rights.
- 10.3 The land serves no operational purpose to the Council and can thus be considered surplus to requirements. As detailed above the land is allocated as greenbelt in the current Local Plan and represents 'green gap' between Alderley Edge and Wilmslow. However it is acknowledge that regardless of the current planning allocation any disposal on the open market without 'use' restriction is likely to result in a challenge to the aforementioned current planning status.
- 10.4 As a consequence of the strategic location of the land and to enable support of the Local Plan it is considered appropriate that the land should be retained within the ownership of the Council.
- 10.5 The land will not be released to the tenant until planning permission for the proposed use is in place and immune from challenge. At this point, it is intended the land will be re-appropriated to community and recreational use.

## **11.0 Offers received**

- 11.1 Cheshire East Council received 5 offers for the site. A brief description of each offer can be seen below:

- **Rotunda Living Community** - The proposed use is a Low Impact & Sustainable Living Community Activity Centre with garden areas.
- **Manchester Gospel Hall Trust, 65 Westgate, Hale, Altrincham, Cheshire, WA15 9BA** - To provide a Principal place of Worship to meet the needs of a faith group known as Plymouth Brethren Christian Church in South Manchester and East Cheshire (community Use).
- **Alderley Edge School for Girls, Wilmslow Road, Alderley Edge, SK9 7QE** - Sports facility on sharing basis servicing the needs of Alderley Edge School for Girls, Alderley Edge Junior Football and Hockey Section of Alderley Edge Cricket Club.
- **Ryleys School, Ryleys Lane, Alderley Edge** – To provide sports facilities for Ryleys School.
- **James and Alex Stock** - Provision of a family-oriented outdoor recreational facility with additional amenities employing up to 10 local people, featuring 2 mountain bike tracks of different technical difficulty with one being specifically built for children and families and one aimed at the more adventurous rider with more technical sections and jumps. Café, green eco centre and bike wash area with parking for up to a 100 cars.

- 11.2 In the review of the proposals received, consideration has been given to the adherence of the proposed use to the Local Plan/ability to gain a planning consent, financial value, job creation, community benefit, and the impact upon economic, social and environment wellbeing within and around of Alderley Edge.
- 11.3 The above consideration has been undertaken by the Assets team in liaison the Communities, Regeneration and Planning Teams within the Council.
- 11.3 Following this consideration it is considered that the offer from AESG is the best offer received in both community and social benefit and best value terms.
- 11.4 Detailed information on the offer received from AESG is shown on the attached Appendix no.1.
- 11.4 It is advised that the offer is accepted subject to planning permission, proof of funding and any further terms and conditions reasonably required by the by the Director of Economic Growth and Prosperity (or any officer she may nominate) and Head of Legal Services.

## **12.0 Access to Information**

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

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