

CHESHIRE EAST COUNCIL

REPORT TO PORTFOLIO HOLDER FOR FINANCE

Date of Meeting: 29th October 2013

Report of: Director of Economic Growth & Prosperity

Subject/Title: LAND OFF WILMSLOW ROAD, ALDERLEY EDGE

Portfolio Holder: Councillor Peter Raynes

1.0 Report Summary

- 1.1 The purpose of the report is to consider the marketing of the land off Wilmslow Road, Alderley Edge on the basis of a 50 year lease for community uses.

2.0 Recommendations

- 2.1 To seek open market tenders for the grant of a lease for a term of 50 years.
- 2.2 To give consideration to all offers and if desired to approve or seek approval in line with Council's Constitution, of any offer received.
- 2.3 The Lease will be advertised on the following suggested terms;

50 year lease contracted out of the Landlord and Tenant Act 1954
Restricted user clause allowing community uses
Rental premium and or annual rental for the term of lease
Through the open market tender process.

3.0 Reasons for Recommendations

- 3.1 To enable the Council to safeguard the current planning status of the land, potentially use the land for beneficial community/local economic purposes and retain the opportunity to realise potential future financial or beneficial use which may be available at a later date.
- 3.2 To protect the current status of land as Green belt regardless of changes in planning policy during the term of the lease.

4.0 Wards Affected

- 4.1 Alderley Edge

5.0 Local Ward Members

5.1 Cllr Frank Keegan

6.0 Policy Implications

6.1 None.

7.0 Financial Implications

7.1 In granting a 50-year lease the Council will forgo an immediate capital receipt from the freehold disposal of the land; rather, it will retain the asset value of the properties in question for potential disposal or otherwise when the lease comes to an end.

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 The 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 There is a risk to the Council in that if it proceeds with the grant of a Lease at less than best consideration it could be challenged as to whether the grant of lease satisfies the “well being” powers which the Council would rely on in order to proceed in this manner.

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 requirements of the aforementioned scheme and has been subject to the necessary administrative process in accordance with Criche Down Rules without claim of acquisition rights.
- 10.3 The land has been subject to numerous enquiries regarding its availability including local businesses, social users and development companies seeking to progress residential/commercial opportunities.
- 10.4 The Council has the opportunity to use the land for purely 'holding' purposes or to potentially enable its use for defined community/local economic benefits pending greater financial or beneficial use at a later date through changes in planning policy.

11.0 Access to Information

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

Name: Caroline Simpson
Designation: Director of Economic Growth & Prosperity
Tel No: 01270 686640
Email: caroline.simpson@cheshireeast.gov.uk