

# **CHESHIRE EAST COUNCIL**

## **Cabinet Member for Regeneration**

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**Date of Meeting:** 06 December 2016

**Report of:** Executive Director of Place

**Subject/Title:** Strategic Acquisition at Weston Road, Crewe

**Portfolio Holder:** Regeneration (Cllr Don Stockton)

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### **1. Report Summary**

- 1.1 The former Army Reserve Centre at Weston Road, Crewe, shown edged red on the attached plan (Appendix 1) was marketed for disposal by the MOD with local Agents seeking unconditional offers for the site.
- 1.2 The Council has provisionally agreed terms for acquisition of the site and is seeking approval to legally complete the purchase at the agreed price.

### **2. Decision Requested**

- 2.1 It is recommended that the Portfolio Holder:
  - 1. Agrees to the acquisition of the site of the former Army Reserve Centre, at Weston Road, Crewe.
  - 2. Delegates all practical decisions required to agree and complete the transaction including all legal documentation to the Director of Legal Services and Head of Asset Management.
  - 3. Agrees to the consideration of £730,000 on an unconditional basis, with each party bearing their own costs of acquisition.

### **3. Reasons for Recommendations**

- 3.1 This is a strategic opportunity to acquire a vacant site situated adjacent to the Council's Business Generation Centre (Scope House), edged blue on the attached plan (Appendix 1), which is also fronting on to Weston Road, Crewe and increase the strategic land holding and potentially the capital value and or revenue derived from the sites going forward when the opportunity arises.

### **4. Wards Affected**

- 4.1 Crewe East.

## **5. Local Ward Members**

5.1 Cllrs S Brookfield, C Chapman and D Newton

## **6. Policy Implications**

6.1 Utilising Council's land and property assets to support economic growth.

6.2 Could contribute significantly to the HS2 master plan given its location once all outcomes are known.

## **7. Financial Implications**

7.1 The holding costs will be minimal as it is a cleared site and the Scope House revenue budget, within the non operational Asset Management budget can adequately accommodate these minimal additional grounds maintenance costs.

7.2 The acquisition value is considered to be market value representing best consideration and will be paid from the strategic acquisitions capital budget.

## **8.0 Legal Implications**

8.1 The Localism Act 2011 introduced the General Power of Competence, which allows the Council to do anything an individual can do, provided it is not prohibited by other legislation. These powers have replaced the previous wellbeing powers, however, the use of these powers must be in support of a reasonable and accountable decision made in line with public law principles.

8.2 The Council has a fiduciary duty at all times to the taxpayers and must fulfil this duty in a way which is accountable to local people.

8.3 Legal have investigated the legal title to the site and reported all matters affecting the title of the site. Specifically the land use is restricted and prohibits Class A1 (shops) and A3 (restaurant and cafes) uses which could impact land value. However, current land value is based on industrial uses.

## **9.0 Risk Management**

9.1 Due to the nature of the transaction the Council is acquiring the site on an unconditional basis with unknown ground conditions. The risks associated with this could be mitigated by acquiring as much information from the vendor as possible as part of the process and the Council undertaking desktop due diligence work. The initial recommendation is that the risk is perceived to be fairly low given the information known to date about past uses on the site.

## **10.0 Background**

10.1 Scope House is a popular business centre occupied by small local businesses taking advantage of the Council's easy in / easy out terms of occupation and supported office spaces and large board room in return for a market rent.

These rents contribute to the Council's revenue budgets and the building supports local business start up and growth in a central location in close proximity to the train station, Crewe Gates Industrial Estate and Crewe Business Park and the emerging growth areas to the south of Western Road.

- 10.2 The holding costs on this acquisition site will be minimal, incurring nominal landscaping and or fencing maintenance. This is a cleared site with no buildings to demolish or maintain and is secured with a security fence around the whole site and there is no evidence of littering or issues requiring security provision.
- 10.3 The site is circa 1.4 acres in area and it accesses the public highway and has highway frontage and is accessible to the train station on foot and to the local highway network for good logistics.
- 10.4 The Council will incorporate the site into its Scope House operations and management pending further strategic asset management review of its income portfolio in the knowledge that uniting the two sites will provide further advantage to the Council delivering either increased revenue or capital receipt as a result of acquiring this cleared site whilst it has become available to do so and uniting it with the existing land holding at Scope House.

## **11.0 Access to Information**

- 11.1 Contact details for this report are as follows:-

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