

Report to Executive

Agenda
Item:
A.2

Meeting Date: 28 October 2013
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref: KD 025/13
Within Policy and Budget Framework YES
Public / Private Public

Title: **LAND TRANSACTION - Proposed Disposal and Development of Land at Westwood Road, Morton**
Report of: **DIRECTOR OF RESOURCES**
Report Number: **RD 48A/13**

Purpose / Summary:

Several parties have expressed an interest in acquiring and developing land in the ownership of the Council at Westwood Road, Morton. This Report outlines the proposals and seeks approval for Officers to further discussion for the release and disposal of the land for the provision of social rented housing and a children's day nursery. Information on the financial and commercially sensitive aspects of the proposals are considered in Part B.

Recommendations:

It is recommended that:-

- (1) Approval is granted for Officers to further discussions with Two Castles Housing Association and Strawberry How Nursery for the provision of social rented housing and a children's day nursery.
- (2) Subject to planning and the receipt of "best consideration" consent is granted for the release and disposal of the land on final terms and conditions agreed by the Property Services Manager.
- (3) Officers work with Creative Support to identify an alternative site for the provision of a special needs Autism Unit.

Tracking

Executive:	
Overview and Scrutiny:	
Council:	

1. BACKGROUND

1.1. Property

The Council own the freehold interest in just under 2 acres of land at Westwood Road, Morton, shown identified on the attached plan, Appendix 1.

The land has frontage to Wigton Road and is accessed from Westrigg Road. It adjoins the Council's Morton Retail site, which has an outline consent for a Superstore and District Centre, and backs on to housing fronting Ellesmere Way. Also, adjoining the land is a housing development of 18 dwellings undertaken by Two Castles Housing Association in the mid 1990's.

The land is currently part of the Council's operational portfolio, laid to grass, and used by local residents for amenity purposes.

1.2. History

Two Castles Housing Association obtained planning consent in 1992 for the phased development of this site and adjoining land for 48 dwellings. Phase 1, which comprised 18 dwellings, was built out by the Association in 1994 but the remaining land on Phase 2 remains undeveloped.

Following a review of the Council's portfolio in early 2000, the site was declared surplus to requirements with a view to it being marketed for sale on the open market. The Executive Report dated 27 May 2002 EN 060/02 refers. Subsequently the land was marketed and, following a bidding competition, terms were provisionally agreed for a sale to the house builder Senator Homes Limited.

The proposed disposal for residential development led to a number of objections from nearby residents who petitioned the Council seeking to have the land retained as amenity open space. Following further consideration the sale was shelved and for the last 8 years or so the land has been used for amenity purposes.

More recently as a consequence of the progress which has been made in bringing forward the Development Master Plan for Morton on the adjoining Church Commissioner's site, and the drive in the Carlisle Plan for the Council to facilitate housing and business growth, the future use of this site has been re-examined. Coincidentally with this a number of approaches have been received from interested parties to carry out development on the site.

1.3. Planning

Planning consent was granted to Two Castles Housing Association in February 1992 (Application Number 91/1050) for the development of this site and adjoining land with 48 dwellings for rent and shared ownership. Advice has been taken which indicates the original permission has not lapsed and a valid consent still exists to build out the remaining 30 units, subject to the approval of reserved matters.

In terms of the Local Plan, this land was originally allocated for residential use but, following the objections which arose to development in the mid 2000's, this designation was reviewed and the land temporarily re-allocated for primary leisure use. The temporary nature of the allocation was in recognition of the emerging strategic development proposals for South Morton and the plans being formulated for major housing development, retail and employment uses and the provision of structured formal and informal open spaces.

1.4. Asset Management & Carlisle Plan

The Carlisle Plan 2013-16 identifies housing and the support of business and employment opportunities as priorities for the Council; the Westwood Road site has potential, subject to planning and release by the Council, to fuel these initiatives. It is considered appropriate to explore any opportunities which may exist to support the Plan's objectives.

The Council is entrusted with optimising the use of its property resource. Landholdings can play an important enabling and facilitating role in bringing forward Council initiatives and priorities, particularly when the economy is stagnant and the financial climate is not conducive to new development. The capital receipts realised from the sale of land can also play a significant role in the Council's budgetary position, generating through investment additional revenue to support services, or fund the purchase of new operational or economic development assets. The Asset Review Business Plan adopted by Council in 2011 did not include this site in the original Disposal Programme. However, a refresh of the programme has recently been undertaken and this site is one that has been identified for inclusion in the programme going forward. The Report RD 47/13 A, also on the Executive agenda, seeks to add this asset into the programme.

2. PROPOSALS

2.1. Initiatives

In January 2013 approaches were made to the Council for a site in Carlisle for a special needs Autism Unit from Creative Support, and the provision of a Children's Nursery on the western side of the City by Strawberry How Nursery. Following a trawl of portfolio options the Westwood Road land was identified as a site which met with provider's requirements and initial discussions have been held with the parties to establish the nature of their proposals. More recently, associated with the trawl of land for the provision of sites for future housing development, a third provider, Two Castles Housing Association, has identified the site's suitability for social housing development.

Indicative proposals have been received from all three interested parties for the development, or combined development of this site for Housing, Nursery and Special Needs purposes. Each of these proposals, and the supporting information to hand at this stage which has been submitted by the parties, is detailed in Appendix 1 & 2 of Part B of this Report. In brief the outline proposals are as follows:-

- **Two Castles Housing Association**

Two Castles have proposed to develop either the whole or part of the site with the provision of social housing for rent. This comprises a mix of 2 and 3-bedroom properties, providing 4 or 5 person units, which will be delivered with support from the Homes & Community Agency. The 1st option, (Sites A and B on the Plan) is to build out all the land with 30 units. The 2nd option is to develop part of the land (Site B on the Plan) with 19 units which leaves the remainder of the land (Site A on the Plan) available for the Nursery.

- **Creative Support**

Creative Support are an Industrial and Provident Society with Charitable status looking to provide a specialist Autism Unit, together with bungalows and operational offices, utilising the whole of the site. The scheme will see the relocation of their existing Carlisle based offices to Westwood Road and provide the Autism Unit, together with 11 1-bedroom, 2 person bungalows for mobility and wheelchair users.

- **Strawberry How Nursery**

This is a proposal from an established children's nursery provider to develop part of the land (Site A on the Plan) with a new Children's Day Nursery and Training facility in the Morton area. Phase 1 of the scheme will comprise a purpose built nursery provision for 80 children, and Phase 2 a Training Unit for apprentices and nursery providers in the Carlisle area.

2.2. Options

A comparative assessment of the proposals has been undertaken to assist in the consideration of the merits of each initiative and the contributions which are likely to be made to the Council's priority plans and objectives. This assessment, which contains financial and commercially sensitive information, is set out in Part B of this Report.

In considering the current proposals the principle options are as follows:-

- (1) The site to remain in Council ownership and control with the use being retained for the existing amenity provision.
- (2) The site is released for development in its entirety for social rented housing undertaken by Two Castles Housing Association.
- (3) The site is released for combined development for the provision of social housing and a children's nursery / training unit.
- (4) Part only of the site is released for development for the provision of housing or a nursery.
- (5) The site is released as a whole and developed for an Autism Unit and specialist housing needs.

3. CONSULTATION/WAY FORWARD

3.1. These proposals have been considered at the Strategic Housing Development Group, Senior Management Team and the Joint Management Team.

3.2. Views expressed were that all 3 proposals had merit. However, combining the proposals put forward for additional social housing and a nursery provision into 1 scheme best met the Council's "Carlisle Plan" position.

- 3.3.** It was also noted that the Council owned alternative sites that may be suitable for the Creative Support proposal and discussions should be progressed with them on any alternatives.
- 3.4.** Proposals for development will require planning approval. This will be subject to the public consultation procedures associated with an application and local residents will be afforded an opportunity to make representations on any proposals which come forward.
- 3.5.** If a decision to release and sell the open space land is made the Authority is required to publish notice of this intention, and to consider representations in accordance with the Local Government Act 1972, before exercising any powers of disposal.

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 4.1.** Conclusions: Subject to the requirements of planning, any open space notification, and agreement of terms and conditions for disposal with the preferred providers, the land should be brought forward for development. This will realise the Council's ambitions in the Carlisle Plan around the provision of housing and employment opportunities and generate a capital receipt to assist meeting budgetary requirements. Whilst amenity open space will in the short term be lost, provision to off set this will materialise in the medium to longer term with the associated Morton Masterplan Development in close vicinity.
- 4.2.** Reasons: To bring forward land enabling the realisation of development opportunities which will further the goals and objectives of the Council and help meet budgetary targets.

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 5.1.** It is considered the proposals will support the following priorities:-
- Addressing the current and future housing needs of the City.
 - Promoting partnership working with private and public organisations.
 - Providing capital receipts to support the Asset Business Plan and maintain public services.
 - Supporting the growth of sustainable business and employment opportunities.

- Developing a skilled and prosperous workforce fit for the future through training.

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Appendices Appendix 1 – Site Plan
attached to report:

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's – None

Community Engagement – The development proposed by Two Castles will enable the City to meet its requirement for affordable housing evidenced in the 2011 housing Need and demand study, through the provision of two and three bedroom affordable rented properties. Early delivery through the Homes and Communities Agency Affordable Homes Guarantee Programme by March 2015 will boost jobs in the building trade and local supply chains, while the additional stock will help Two Castles to grow their business sustaining local jobs.

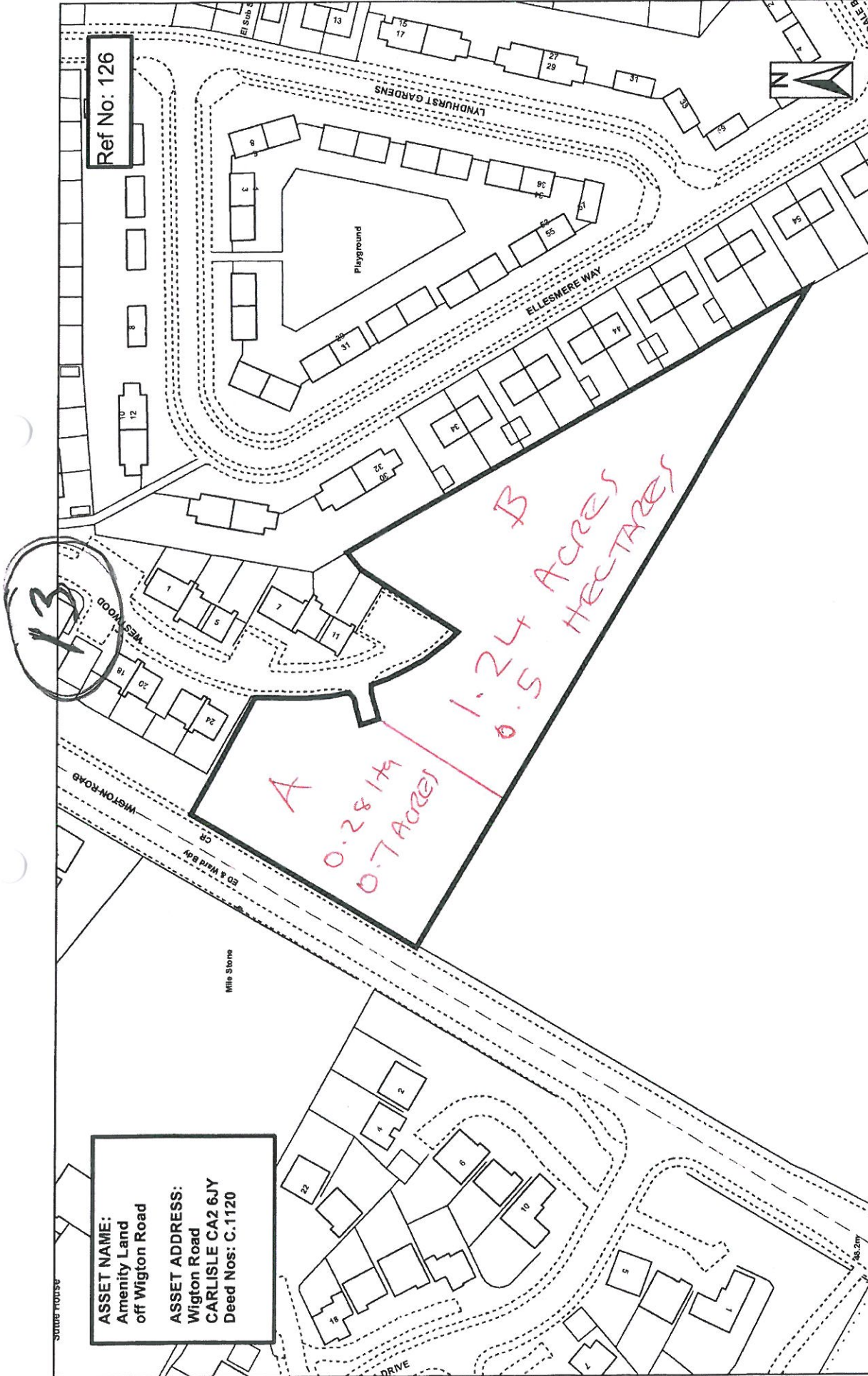
Economic Development – None

Governance – Under Section 123 of the Local Government Act 1972, the Council may dispose of land held by it in any manner it wishes, save that it shall not dispose of land otherwise than by way of a short tenancy, for a consideration less than the best that can be reasonably obtained. It is particularly important that the receipt of 'best consideration' can be demonstrated via the valuation process as the proposal within this Report is not for a disposal on the open market. This is subject to any restrictive covenants which bind the land and also subject to the proviso that it may not without the consent of the Secretary of State dispose of any land consisting or forming part of a public open space without first advertising its intention to do so and considering any representations received..

Local Environment – The area in question is currently managed as amenity grassland with no specific uses. There is no play equipment or sports provision and the site has

occasionally been the focus for anti-social activities such as unauthorised bonfires. It has little value for wildlife or nature conservation. Alternative play space exists a short distance away on Westwood Road and at the 'village green' off Seatoller Close/Westrigg road. As the Morton Masterplan sites are developed there will be significant allocation of open space including play, amenity and sporting provision (although Wigton Road represents a significant barrier to young children). Depending on the preferred development there may be scope to include some amenity space on site.

Resources – Capital receipts would be generated through the disposal of the asset. The asset was not included in the original Asset Disposal Business Plan however, any receipt generated will contribute to the aims of the Business Plan. There will be no loss of rental income. Any VAT implications arising from the disposals will need careful consideration and will be dependant upon the VAT status of the purchasers and the intended future use of the sites.



Ref No: 126

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