

Report to Council

Agenda
Item:

17(i)

Meeting Date: 7th January 2014
Portfolio: Finance, Governance and Resources
Key Decision: YES
Within Policy and
Budget Framework YES
Public / Private Public

Title: ASSET REVIEW BUSINESS PLAN - REFRESH OF DISPOSAL
PROGRAMME
Report of: Director of Resources
Report Number: RD 67/13

Purpose / Summary:

The attached Report (RD 64/13), a review and refresh of the Asset Review Business Plan Disposal Programme, has been considered by the Executive at meetings on 28th October and 16th December, and referred to Resources Overview and Scrutiny Panel on 28th November. It is now brought to Council for agreement and adoption as part of the Council's Policy Framework.

Recommendations:

The Report is adopted as part of the Council's Policy Framework.

Contact Officer: Raymond Simmons Ext: 7421

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:

- CE 39/10

Report to Executive	Agenda Item: A.5
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Meeting Date: 16th December 2013
 Portfolio: Finance, Governance and Resources
 Key Decision:
 Within Policy and Budget Framework YES
 Public / Private Public

Title: ASSET REVIEW BUSINESS PLAN - REFRESH OF DISPOSAL PROGRAMME
 Report of: Director of Resources
 Report Number: RD.64/13

Purpose / Summary:

The attached Report (RD 47A/13), a midterm review and refresh of the Disposal Programme, was referred to Resources Overview and Scrutiny Panel on 28th November 2013 for comment and feedback. The minutes from the Panel’s meeting are attached for consideration and then, if the Executive choose to do so, the Report can go to Council for adoption on 7th January 2014.

Recommendations:

The Executive consider the comments from the Resources Overview and Scrutiny Panel and refer the Report to full Council for adoption.

Tracking

Executive:	N/A
Overview and Scrutiny:	N/A
Council:	7 th January 2013

1. BACKGROUND

1.1 See Report RD 47A/13

2. PROPOSALS

2.11 See Report RD 47A/13

3. CONSULTATION

3.11 See Report RD 47A/13

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

4.11 See Report RD 47A/13

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

5.1 1 See Report RD 47A/13

Contact Officer: Raymond Simmons Ext: 7421

Appendices attached to report: 1See Report RD 47A/13

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:

- CE 39/10

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's – 1 See Report RD 47A/13

Community Engagement – 1 See Report RD 47A/13

Economic Development – 1 See Report RD 47A/13

Governance – 1 See Report RD 47A/13

Local Environment – 1 See Report RD 47A/13

Resources – 1 See Report RD 47A/13

Report to Executive

Agenda
Item:

A3

Meeting Date: 28th October 2013
 Portfolio: Finance, Governance and Resources
 Key Decision: Yes: Recorded in the Notice Ref: KD.026/13
 Within Policy and Budget Framework: Yes
 Public / Private: Public

Title: Asset Review Business Plan – Refresh of Disposal Programme
 Report of: Director of Resources
 Report Number: RD.47A/13

Purpose / Summary:

In discussion with Portfolio Holders Officers' have undertaken a midterm review of the disposal programme, stocktaking the current position in the light of progress, changing circumstances, and the emerging priorities in the Carlisle Plan 2013 – 2016 to address future housing needs. This Report provides an update, proposes some changes to the content of the Programme and outlines proposals to bring forward a pipeline supply of future housing development sites from the revised Disposal Programme. The Executive is invited to consider the changes and, following any comments or amendments, forward the Report to Resources Overview and Scrutiny Panel for scrutiny. Observations from the Panel will come back to the Executive and if it so chooses the revised Programme can then be considered by full Council for adoption.

Recommendations:

1. The Executive note the current position and progress with the Disposal Programme.
2. The Executive considers and comments upon the proposed changes to the Disposal Programme, and the plans to bring forward potential housing development sites to meet the priorities of the Carlisle Plan and address future housing needs, before passing the Report to scrutiny for consideration.

Tracking

Executive:	28th October 2013
Overview and Scrutiny:	ROSP 28th November 2013
Executive:	Executive 16th December 2013
Council:	7th January 2014

1. BACKGROUND

1. Asset Review Business Plan – Disposal Programme

The citizens and businesses of Carlisle benefit from the City Council owning a substantial property portfolio with a value of circa £130m. This portfolio generates income of approximately £5.5m pa – a substantial contribution to the costs of delivering services in the City.

The Asset Review Business Plan was developed by Montagu Evans, working principally with Property Services and the Chief Executive, and approved by Council on 11th January 2011 (Report Ref CE.39/10 refers).

The Plan's objectives are to rationalise and consolidate the portfolio, with a programme of disposals spread over 4 years realising capital receipts of £24 m, and to have:-

- Clear and separate management of the operational, investment and economic development assts.
- Fewer, higher yielding investment assets which are cheaper and easier to manage.
- Maximisation of the embedded value within the portfolio.
- Council owned assets which are well maintained and continue to be attractive for occupiers.
- Increase returns through higher income and lower outgoings.

The capital receipts will be used to fund investment purchases, generating an additional £1m pa to support budget and efficiency savings, and help secure service delivery into the future, and to finance improvements to the operational and economic development portfolios.

A total of 51 assets were identified for disposal over the life of the Plan. The Montagu Evans Business Plan sets out the business case and detailed information on all the assets; this can be accessed on the web link <http://bit.ly/cc-ARBP>.

Separately there is also an ongoing review of operational property used for service delivery, which includes the Civic Centre office accommodation and the Depots.

2. Current Situation

Disposal Monitoring Schedule

The Disposal Monitoring Schedule sets out in **Appendix1** the current position and work in progress for each of the original 51 assets earmarked for disposal. It also shows, for those assets where sales have been completed, the target receipts and

actual outcomes, the impact on rental income and leases, and the cost to date of realising sales.

Summary Position

The overall position to date in terms of disposals, acquisitions and the impact on the estate and rental income can be summarised in the following table. The cost to date of realising sales including marketing, agency fees and ancillary disbursements amounts to circa £133k which at 2% of gross receipts is within budget targets.

<u>Sales</u>	<u>No Assets</u>	<u>Target Receipt</u>	<u>Actual Receipt</u>
Completed	25	£4.4m	£5.5
In the pipeline	4	£495k	
<u>Purchases</u>			
Completed	7	£2.235m	Rickergate properties, Bhs Woolworth Building, Herbert Atkinson House
In the pipeline	1	£1.1m	Morton land exchange

<u>Rentals</u>	<u>No Assets</u>	<u>No Leases</u>	<u>Amount pa</u>
Losses	25	70	£199k
Gains	7	6	£220k

Morton

A significant part of the Business Plan delivery, and the re-engineering of the Council's portfolio, hinges on the release and disposal of the latent value in the Council's retail and residential assets at Morton. There is a risk that delays in the disposal of this asset will have a substantial impact on the disposal programme, the capital reinvestment plans and revenue position of the Council. This has been recognised and identified on the Council's Corporate Risk Register and is being carefully monitored.

Housing Priorities

The Carlisle Plan 2013-16 identifies the delivery of housing as a priority action for the Council going forward. A number of sites earmarked for disposal in the original

Disposal Programme (10 in total) have the potential, subject to market demand and planning to deliver residential development opportunities in the short to medium and longer term. This could be through the private sector, Registered Social Landlords, a mix of both or bespoke initiatives such as self build schemes.

Additionally a recent trawl of the operational portfolio has been undertaken to identify any vacant land, or assets which may become surplus to requirements in the future, and merit consideration for inclusion in the Disposal Programme as a 2nd Phase of asset sales, which potentially may be suitable for release as housing development land. The sift has resulted in a further 9 assets being identified for possible inclusion in the Disposal Programme, these are shown listed within the Disposal Monitoring Schedule **Appendix 1** as “Phase 2”.

Bringing forward land for residential development for sale in the market place is commonly a resource intensive and time consuming exercise. Much depends on the planning situation, whether there is a current housing allocation, the prospect if at all for a future allocation and, if this can be realised, whether the timescale is in the short, medium or longer term.

The suitability of the 19 assets in the original Disposal Programme and “Phase 2” to deliver future housing needs has been assessed through a desk top appraisal by Planning, Housing and Property officers. Site locations for all the assets involved are shown on the Plan, attached to this Report as **Appendix 2**, edged in red and shaded either green, red, orange or yellow. Land shaded light pink on the Plan highlights the relationship of these sites with other land in Council ownership.

The desktop evaluation has looked at the pertinent criteria most likely to influence the ability to deliver land for residential development including inter alia current use and occupation, planning, site conditions and constraints, end users, value and market demand, and timescales. The conclusions from the exercise have been assembled and tabled together; they are presented in **Appendix 5** to the Executive for comment with a proposed recommendation in terms of disposal strategy and a pipeline delivery programme.

2. PROPOSALS

2.1 Disposal Programme Going Forward

- **Appendix 3** – This schedule details the asset sales within the original Programme which have been put on hold, delayed or postponed. The position is noted and a future course of action for each is proposed.
- **Appendix 4** – This schedule sets out details for asset which have already received Executive consent to release. Sales are in the pipeline or the preparatory work to bring the assets to the market is already underway. The Executive is invited to note the position.

- **Appendix 5** – This schedule details the 19 assets identified from the original Disposal Programme (10), and the recent trawl of operational property (9), which have been assessed for suitability and viability as potential housing development sites with a view to bringing forward a future delivery programme to meet the Council's housing aspirations and budgetary requirements. For each site under assessment the asset details are set out, together with the current planning position, and other material considerations. A proposed course of action is suggested for each individual asset which can be broken down into the following 5 groupings and proposed outcomes/actions:-
 - **No prospect of housing development** – These assets, shown shaded **red** in Appendix 5, should be released for sale as part of the disposal programme or retained for operational use.
 - **Ripe for immediate sale development** – Most of these assets, shown shaded **dark green** in Appendix 5, are already included in the Disposal Programme and have the benefit, apart from the land at Westwood Road, Morton, of a current planning allocation for primary residential use. The land at Raffles is already in the course of development through the Lovells Partnership Agreement, and the housing site at Lonning Foot, Rockcliffe has been on the market for some time now. It is suggested, for sites which are not already underway, they should be brought forward to the market as soon as possible on the basis of the proposals set out within the schedule. A separate Report RD. 48 A and B/13 has been prepared for the Executive to consider on the Land at Westwood Road.
 - **Strong possibility for development in the short term** – These sites, identified in **light green**, have the potential to be brought forward for housing within the next 2 to 3 years, subject to planning, to meet private house builder demands and also provide a mix of affordable/social housing through Registered Social Landlords. Work to bring these sites forward in order to deliver within the timescale envisaged needs to commence straightaway.
 - **Longer term opportunities** – These are large sites, shown coloured **orange** in the Appendix which, if they are to be brought forward for housing, require a strategic approach worked up over the longer term.
 - **Miscellaneous sites** – Coloured **yellow** in the Appendix these remaining sites, which are relatively small in size, all have intrinsic constraints commonly around access which limit scope for housing purposes unless a special purchaser, such as an Registered Social

Landlord, or specific use for example self build, can be found to unlock any future potential.

3. CONSULTATION

3.1. The Asset Review Business Plan has been endorsed by full Council following an extensive period of consultation with stakeholders and Members. These proposals to refresh the content of the Plan and meet the housing needs of the Carlisle Plan 2013-16 have been discussed at Senior Management Team, Joint Management Team and the Strategic Housing Development Group. Their views and opinions have been incorporated into the Report.

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

4.1. To more effectively manage the Council's assets in pursuit of wider strategic and budgetary objectives, and bring forward land for development to meet the goals of the Carlisle Plan to address housing needs.

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.

Contact Officer: Raymond Simmons Ext: 7421

Appendices attached to report: Appendix 1 – Disposal Programme Monitoring Schedule
Appendix 2 – Housing Sites Location Plan
Appendix 3 – Asset Sales on Hold
Appendix 4 – Asset Sales Consented and Underway
Appendix 5 – Schedule of potential Housing Development Sites

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: CE 39/10 Draft Asset Business Plan

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's – None

Community Engagement – None

Economic Development – None

Governance – The Council has a fiduciary duty to properly manager its property assets. It has the legal powers to both buy and sell land and, in terms of disposals, should sell surplus land. The Asset Management Plan is part of the Council's reserved Budget & Policy framework and, as such, the Executive is required to consult with Overview & Scrutiny before making a recommendation to Council.

Local Environment – None

Resources – The asset review business plan has been progressing since its implementation and to date has achieved £1m more capital receipts than originally anticipated (£5.5million against £4.5million). Some of these additional receipts have been utilised to progress the Arts Centre proposals. Seven purchases have been completed at a total cost of £2.25million and new income has been generated of £220,000. Lost rental income on assets sold of £199,000 has been incurred. Further assets have been identified for potential disposal which, if sold will provide additional receipts over and above those originally envisaged.

Asset Review Business Plan - Disposal Programme - Monitoring Schedule

Disposal Programme							Progress										Comments & Issues			
Item	Property	Year				Target Receipt (£)	Rental Loss (£)	No of Leases / licences / tenancies	Property	Legal	Planning	Communication	Governance	Marketing	Completion	Records	Gross Receipt Net of VAT (£)	% Change on Target Receipt	No of Leases / licences / tenancies sold	
		10	11	12	13															
1	Morton Residential Site (Church Commissioners)							1											Montagu Evans. Linkage Morton Retail. Negs close finalising land exchange. Exec consent 11/2/13	
2	Cumbria University - Paternoster Row/Castle St						94,500	2											Historic Quarter. Tullie Trust.	
3	Carlisle Airport							1											Planning. Development prospects.	
4	Rosehill Industrial Estate (part)						100,000	26											Special purchasers. Marriage value. Contamination. Parking. EDU significance	
5	Whinnie House Residential Ground Lease						6,250	1											Rent Review imminent	
6	Doctors Surgery Fusehill Street					10,000		1								20,000	100.00	1	Sold	
7	Depot R/O Old Raffles Parade					30,000		1								24,000	-20.00	1	Sold	
8	Land between Eastern Way and Durrhill Road							0											Planning & Development	
9	Land at Boundary Road							0											Planning & Development	
10	Land at Dene Crescent							0											Planning & Development	
11	Land at Beverley Rise							1											Planning & Development	
12	Land at Kingwater Close Brampton							2											Planning & Development	
13	Doctors Surgery at Eastern Way					137,500	8,250	1								160,000	16.36	1	Sold	
14	James Street Workshops						51,750	7											Auction in February postponed. Hold in abeyance pending further consideration	
15	Cumbria University - Stanwix House/Cottage						19,200	2											Planning & Development	
16	BBC Annetwell Street							1											Hold in abeyance outcome BBC review. Progress sale Exec consent 30th Oct	
17	Port Road Workshops and Storage Land					300,000	29,925	6								275,000	-8.33	6	Sold	
18	Land at Gelt Rise Brampton					200,000										216,000	8.00		Sold	
19	Land at Low Meadow					324,000										360,000	11.11		Sold	
20	Morton Retail Land							1											Montagu Evans. Linkage Morton Residential land & Viaduct Est.	
21	Treasury Court						13,500	1											Tenant pre emption. Bringing to market Auction 16th Oct	
22	Land at Leabourne Road					24,000		1								14,000	-41.67	1	Sold	
23	Land at Wood Street							1											Planning and Development. Community interest	
24	Hewson Street Workshops					200,000	20,000	5								180,000	-10.00	5	Sold	
25	South John Street Workshops & Storage Land					190,000	15,000	8								164,950	-13.18	8	Sold	
26	Land adjoining Morton Petrol Filling Station					50,000	20	1								47,500	-5.00	1	Sold	
27	Land at central Longtown							0											Planning and Development. Marriage adjoining site discussions in hand	
28	17 Scotch Street (Save the Children)						26,000	1											Linkages with City Centre and sale of Lanes	
29	Retail Units 1,2 & 3 Market Place, Brampton					237,000	23,350	2								240,000	1.27	2	Sold	
30	Viaduct Industrial Estate						21,325	2											Hold in abeyance pending Morton retail site linkage	
31	Burgh Road Industrial Estate					1,000		1								500	-50.00	1	Sold	
32	Land at Lonning Foot Rockcliffe							0											Planning Consent. Autumn 2011 marketing. Sale fallen through remarketing	
33	Currock Road Retail Site					1,393,000	77,000	3								1,910,000	37.11	3	Sold	
34	Long Island Park Industrial Estate					157,000	12,600	3								244,800	55.92	3	Sold	
35	Longtown Industrial Estate					90,000	7,200	3								80,000	-11.11	3	Sold	
36	Willowholme Industrial Estate					300,000	28,756	25								544,000		13	sites 8-11, 12, site adj 13, 15, 18, 20, 21 & 22 completed. Remainder Estate bringing to Auction 16th Oct. Show	
37	Airport Industrial Estate					30,000	4,678	2								63,600	112.00	2	Sold	
38	Sub Stations						87	21											Records. Identification	
39	Rigg Street					5,000		1								12,000	140.00	1	Sold	
40	Residential Enclosures						500	203											Records. Identification	
41	Garages at Isabella Street					12,000		5								19,000	58.33	5	Sold	
42	Garages at Gardenia Street							3											Hold linkage Depot Accommodation Review	
43	Garages at Tullie Street					12,000	502	2								18,000	50.00	2	Sold	
44	Garages at Allason Court Brampton					10,000	1,004	4								11,700	17.00	4	Sold	
45	Garages at Broad Street						1,256	10											Withdrawn Auction. Holding pending further consultation	
46	Land at Old Isolation Hospital, Moorhouse					65,000		2								95,000	46.15	2	Sold	
47	Agricultural land at Carlisle Airport					300,000		5								479,760	59.92	5	Sold	
48	Agricultural land at Harker					32,000		1								39,500	23.44	1	Sold	
49	Land at Gelt Bridge Brampton					150,000		1								210,000	40.00	1	Sold	
50	Esk Street Depot					13,000		0								13,000	0.00		Sold	
51	Raffles Development Land							0								65,000	#DIV/0!		Lovells Partnership Agreement. Dalton Ave & Thomlinson Rd	

Disposal Programme							Progress							Comments & Issues								
Item	Property	Year				Target Receipt (£)	Rental Loss (£)	No of Leases / licences / tenancies	Property	Legal	Planning	Communication	Governance	Marketing	Completion	Records	Gross Receipt Net of VAT (£)	% Change on Target Receipt	No of Leases / licences / tenancies sold			
		10	11	12	13																	
	Annual Loss of Rent:					562,653										5,507,310		25	properties sold.	Total no' leases, licences & tenancies sold:	72	
	Annual Sales:					4,272,500										132,727			Net receipts over estimate:			
						Total no' leases, licences & tenancies:	371									5,374,583			£1,102,083.03			
															2%			n.b. Net receipts now includes Willowholme - as from 31/03/13				

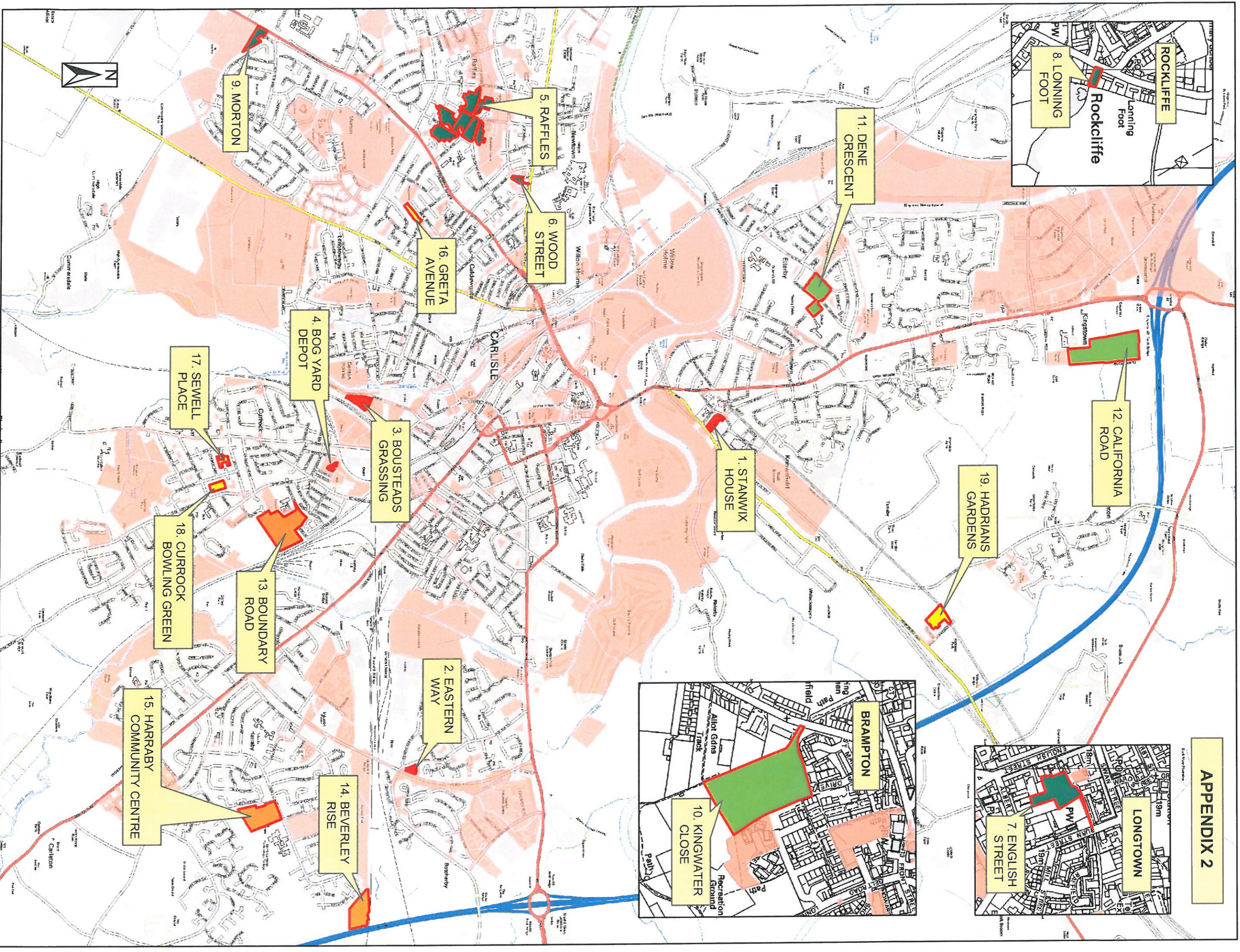
KEY:

Progress Indicator	Red	Not started
	Yellow	Underway
	Green	Completed

Progress Categories:	Property	Property preparatory sale tasks	Inspection; Plans; Boundaries; Occupations; Utility Services; Highways; Drainage; Use; Rates
	Legal	Legal preparations for sale	Report on title: Registration; Criel Down; Public Open Space; Legal Pack
	Planning	Establishing planning position	Local Development Framework; Site Appraisal; Listing; Designations; Advice; Planning Application
	Communication	Informing relevant parties	Ward Members; Parish Councils; Tenants; Adjoining owners
	Governance	Consents & approvals	Executive; Council; Statutory approvals
	Marketing	Undertaking the sale	Valuation; Disposal route (private treaty/tender/auction); Agency appointment; Marketing budget; Sales particulars; Advertising; Marketing; Viewing; Negotiations; Heads of term; Section 123 Valuation
	Completion	Completion legal documentation	Instructions; draft documentation; Pre contract enquiries; Exchange; Completion;SDLT; Land Registry
	Records	Update Records	Finance; Asset Register; Property Database; Terrier plans; Insurance
Date of report: 17 October 2013			

Phase 2 - Proposed Disposal Programme

Item	Property	Year	Target Receipt (£)	Rental Loss (£)	No of Leases / licences / tenancies	Property	Legal	Planning	Communication	Governance	Marketing	Completion	Records	Gross Receipt Net of VAT (£)	% Change on Target Receipt	No of Leases / licences / tenancies sold	Comments & Issues
n/a	Land at California Road					0	Yellow	Red	Red	Red	Red	Red	Red				Consideration Exec 28th Oct RD 47A/13
n/a	Bousteads Grassing Depot					0	Yellow	Red	Red	Red	Red	Red	Red				Consideration Exec 28th Oct RD 47A/13
n/a	Land at Westwood Road Morton					0	Yellow	Red	Red	Red	Red	Red	Red				Consideration Exec 28th Oct RD 47A/13
n/a	Land at Harraby Community Centre					0	Yellow	Red	Red	Red	Red	Red	Red				Consideration Exec 28th Oct RD 47A/13
n/a	Currock Bowling Green					0	Yellow	Red	Red	Red	Red	Red	Red				Consideration Exec 28th Oct RD 47A/13
n/a	Hadrians Gardens Brampton Road					0	Yellow	Red	Red	Red	Red	Red	Red				Consideration Exec 28th Oct RD 47A/13
n/a	Bog Yard Depot					0	Yellow	Red	Red	Red	Red	Red	Red				Consideration Exec 28th Oct RD 47A/13
n/a	Land at Sewell Place					0	Yellow	Red	Red	Red	Red	Red	Red				Consideration Exec 28th Oct RD 47A/13
n/a	Land at Greta Avenue					0	Yellow	Red	Red	Red	Red	Red	Red				Consideration Exec 28th Oct RD 47A/13



APPENDIX 2

ASSET REVIEW BUSINESS PLAN – DISPOSAL PROGRAMME

SALES ON HOLD – DELAYED OR POSTPONED

Monitoring Schedule Ref	Montagu Evans Plan Page Ref	Asset	Position	Proposed Action
45	56	Garages at Broad Street	Members postponed proposed auction sale following interest by local residents group to retain as amenity open space.	<ol style="list-style-type: none"> 1. Land – agree terms with Resident Group for lease as amenity open space. 2. Dispose of let garages on open market asap.
16	81	BBC Annetwell Street	Members postponed sale to sitting tenant when cuts threatened future of BBC Radio Cumbria.	BBC position clarified. Progress disposal. Executive consent 30 th Sept 2013
14	72	James Street Workshops	Proposed auction sale. Members put on hold pending further consideration on the way forward.	Hold in abeyance on the Disposal Programme pending further consideration of position

Monitoring Schedule Ref	Montagu Evans Plan Page Ref	Asset	Position	Proposed Action
42	58	Gardenia Street Garages	Hold pending Depot Review, possible access / development	Continue to hold in abeyance until decision on Bog Yard made following Depot Review
30	69	Viaduct Industrial Estate	Strategic site pending outcome Morton transactions	Hold in abeyance until Morton outcome materialises
28	36	17 Scotch Street (Save the Children)	Strategic linkages with The Lanes Shopping Centre and Rickergate	Lanes in new ownership. Discuss incorporating asset into Lanes family portfolio.

ASSET REVIEW BUSINESS PLAN – DISPOSAL PROGRAMME

ASSET SALES CONSENTED & UNDERWAY

Monitoring Schedule Ref	Montagu Evans Plan Page Ref	Asset	Position	Proposed Action
36	65	Willowholme Industrial Estate	Remaining sites 1 & 4, 3 7, 6, 13, 14, 16, 17	Bringing to market by auction on 16th October
36	n/a	Willowholme Depot	Sale fell through. Back on market	Bringing to market by auction on 16th October
21	33	Treasury Court	Sale to sitting tenant (right of pre-emption) fallen through	Re-marketing with auction on 16 th October
32	117	Lonning Foot, Rockcliffe	Sale fell through. Back on market	Re-marketing for sale by private treaty, possible auction later
40	82	Residential Enclosures	Numerous scattered house / flats freehold reversions. Poor records, resource intensive with little return	Progress sales as priorities & resources allow

APPENDIX 4

Monitoring Schedule Ref	Montagu Evans Plan Page Ref	Asset	Position	Proposed Action
38	83	Electricity Sub Station Sites	Numerous scattered freehold reversionary sites. Poor records, resource intensive with little return	Progress sales as priorities & resources allow
5	94	Whinnie House Road	Outstanding Rent Review to resolve. Several interested parties	Resolve Rent Review. Bring to market formally

ASSET REVIEW BUSINESS PLAN – DISPOSAL PROGRAMME
POTENTIAL HOUSING DEVELOPMENT SITES

LOCTN PLAN REF	MONT. EVANS PLAN PAGE REF	ASSET				PLANNING POSITION				CONSIDERATIONS	PROPOSED ACTION
		Name	Portfolio & Disposal Programme	Area Ha Acs	Use	Local Plan 2001-16	SHLAA Assmt Timing	Density L/M/H	Nos Dwgs		
1	95	Stanwix House & Cottage	Investment Disposal Programme	0.74 1.8	Leased to Cumbria University	Primary Leisure	No	N/A	N/A	Primary Leisure. Hadrians Wall. Redevelopment of buildings acceptable but little prospect on land	Housing scope nil Disposal Programme sale Bring to open market
2	114	Land between Eastern Way & Durranshill Road, Botcherby	Investment Disposal Programme	0.39 0.96	Open space	Amenity Open Space	No	N/A	N/A	No scope. Retain open space or sell to reduce maintenance liabilities	Housing scope nil Review Disposal Programme sale Retain as open space and remove from Disposal Programme
3	N/A	Bousteads Grassing Depot	Operational	1.09 2.69	Depot	Primary Employment	Yes 6-15yrs	M	33	Depot Review. Flood risk. Limited scope for residential.	Housing scope limited Consider future use following accommodation Depot Review
4	N/A	Bog Yard Depot	Operational	0.327 0.81	Depot	White land	No	L	6	Depot Review. Scope but poor access.	Housing scope limited Consider future use following accommodation Depot Review
5	107	Raffles Development Land	Investment Disposal Programme	11.64 28.7	Lovells Dev't Scheme	Residential consent	No	H	248	Lovells Partnership Development Programme. Ph 4,5,6 & Dalton Ave to build out. Affordable houses for sale	Continue to progress housing dev / sales with Lovells Mix affordable Pvte Sector & Social Housing.
6	105	Land at Wood Street	Investment Disposal Programme	0.22 0.55	Former Bowling Green Vacant	Primary Residential	No	L	14	Part Flood Zone. Poor access. Neighbourhood issues. Deliverable	Disposal Programme sale. Bring to market for Partnership social housing/HCA Apprentice Scheme
7	110	Land at English Street, Longtown	Investment Disposal Programme	0.46 1.14	Former Allotments Vacant	Primary Residential	No	H	18	Feasibility of joint development with Catholic Church. Access issues. Consent on neighbouring land issued – see application 11/0279. Deliverable	Pvte Sector Housing Disposal Programme sale. Progress discussions with Church to jointly bring to market
8	117	Land at Lonning Foot, Rockcliffe	Investment Disposal Programme	0.075 0.18	Former Garden land Vacant	Residential	No	L	1	Agreement for sales fallen through Site for 1/2 dwellings	Pvte Sector Housing Disposal Programme sale
9	N/A	Land at Wigton Road, Morton	Operational	0.78 1.93	Open space	Primary Leisure Area	Yes 6-15yrs	M	23	Adjacent Retail Site. Primary leisure area under review Morton – linked with development of Morton allocation. Timing dependant on delivery of	Interest from RSL, Autism provider & nursery use currently being pursued / worked up. Report to Executive on proposals RD 47A/13

										PLA for Morton housing allocation. Developable	
10	100	Land SW of Kingwater Close, Brampton	Investment Disposal Programme	2.32 5.73	Agricultural land	Urban Fringe Landscape	Yes 0-5yrs	M	70	Attractive/desirable site for pvt developers. Access limitations to unpick. Development in conjunction adjoining land.	Pvte Sector Housing Disposal Programme sale. Bring forward into market
11	111	Land at Dene Crescent, Belah	Investment Disposal Programme	2.19 4.93	Open space	Primary Leisure	No	N/A	N/A	Part only assessed for SHLAA . Some potential on part	Mixed Pvte /Social sector Housing scope Disposal Programme sale
12	N/A	Land at California Road, Greymoorthill	Investment	6.54 16.15	Agricultural land	Allotments	Yes 0-5yrs	M	196	Association with Kingstown IE Allotment allocation review. Part only? Access. Possible joint approach but road improvements may be required. Deliverable	Mix Pvte Sector & Social Housing Include in Kingstown / Parkhouse Future Management Options?
13	112	Land at Boundary Road/York Gdns	Investment Disposal Programme	4.70 11.5	Open space	Primary Leisure, Education & Community	Yes 5-10yrs	L	94	Joint opportunity with County. Part Primary Leisure Area. Contamination. May be scope to reconfigure site to retain some open space and allow for limited residential development.	Site for Social Housing. Bring forward longer term with County. Mixed scheme
14	103	Land at Beverley Rise, Harraby	Investment Disposal Programme	2.15 5.30	Agricultural land	Urban Fringe Landscape	Yes 0-5yrs	M	64	Various potential access points. M6 buffer screening required. Deliverable.	Mix Pete Sector & Social Housing Disposal Programme sale. Bring forward to market in longer term.
15	N/A	Land at Harraby Community Centre	Operational	2.92 7.21	Open space	Primary Leisure Community	No	M	88	Harraby Campus Project. Planners to assess in SHLAA.	To assess possibly Mix Pvte Sector & Social Housing
16	N/A	Land at Greta Ave	Operational	0.41 1.00	Former Allotment Vacant	Primary Leisure Area	No	L	8	Planners to review in SHLAA. Scope with limited access. Consider allotment status	Site for Social Housing
17	N/A	Land at Sewell Place, Currock	Operational	0.353 0.87	Former Allotment Vacant	Primary Residential	No	L	7	Vacant Allotment. Access to overcome. Social Housing scope.	Site for Social Housing
18	N/A	Currock Bowling Green	Operational	0.46 1.13	Former Bowling Green Vacant	Primary Leisure Area	No	L	9	Vacant. Review designation. Access restricted, suited to Specialist Housing use? Or small scale open market scheme.	Site for Social Housing unless access can be provided
19	N/A	Hadrians Gardens, Brampton Road	Operational	1.14 2.8	Open space	Not designated	No	L	22	Amenity land. Outside scope. Outside Urban boundary. Planners to review in SHLAA	Site for Social Housing or Self Build or other specialist needs

LEGEND	Red	No Prospect Housing	Dark Green	Immediate Development Sites	Light Green	Short Term Sites
	Orange	Longer term Sites	Yellow	Miscellaneous Housing Sites		

EXCERPT FROM THE MINUTES OF THE RESOURCES OVERVIEW AND SCRUTINY PANEL HELD ON 28 NOVEMBER 2013

ROSP.81/13 ASSET REVIEW BUSINESS PLAN – REFRESH OF DISPOSAL PROGRAMME

The Chairman welcomed Councillor Mrs Luckley, Chairman of the Community Overview and Scrutiny Panel to the meeting for the consideration of this item.

The Property Services Manager reported (RD.47A/13) that, in discussion with Portfolio Holders, Officers had undertaken a mid-term review of the Disposal Programme, stocktaking the current position in the light of progress, changing circumstances, and the emerging priorities in the Carlisle Plan 2013-2016 to address future housing needs.

Members' attention was drawn to the Disposal Monitoring Schedule (Appendix 1) which set out the current position and work in progress for each of the original 51 assets earmarked for disposal. Also shown (for those assets where sales had been completed) were the target receipts and actual outcomes; the impact on rental income and leases; and the cost to date of realising sales.

The Property Services Manager also summarised the overall position to date in terms of disposals, acquisitions and the impact on rental income. The cost to date of realising sales including marketing, agency fees and ancillary disbursements, amounted to circa £133k which at 2% of gross receipts was within budget targets.

A significant part of the Business Plan delivery, and the re-engineering of the Council's portfolio, hinged on the release and disposal of the latent value in the Council's retail and residential assets at Morton. There was a risk that delays in the disposal of that asset would have a substantial impact on the Disposal Programme, the capital reinvestment plans and revenue position of the Council. That had been recognised and identified on the Council's Corporate Risk Register and was being carefully monitored.

Turning to the issue of Housing priorities, the Property Services Manager indicated that The Carlisle Plan 2013-16 identified the delivery of housing as a priority action for the Council going forward. A number of sites earmarked for disposal in the original Disposal Programme (10 in total) had the potential, subject to market demand and planning to deliver residential development opportunities in the short to medium and longer term. That could be through the private sector, Registered Social Landlords, a mix of both or bespoke initiatives such as self build schemes.

Additionally a recent trawl of the operational portfolio had been undertaken to identify any vacant land, or assets which may become surplus to requirements in the future, and merit consideration for inclusion in the Disposal Programme as a 2nd Phase of asset

sales, which potentially may be suitable for release as housing development land. The sift had resulted in a further 9 assets being identified for possible inclusion in the Disposal Programme, those were shown listed within the Disposal Monitoring Schedule Appendix 1 as “Phase 2”.

Bringing forward land for residential development for sale in the market place was commonly a resource intensive and time consuming exercise. Much depended upon the planning situation, whether there was a current housing allocation, the prospect if at all for a future allocation and, if that could be realised, whether the timescale was in the short, medium or longer term.

The suitability of the 19 assets in the original Disposal Programme and “Phase 2” to deliver future housing needs had been assessed through a desk top appraisal by Planning, Housing and Property Officers. Site locations for all the assets involved were shown on the Plan, attached as Appendix 2, edged in red and shaded either green, red, orange or yellow. Land shaded light pink on the Plan highlighted the relationship of those sites with other land in Council ownership.

The desktop evaluation had looked at the pertinent criteria most likely to influence the ability to deliver land for residential development including inter alia current use and occupation, planning, site conditions and constraints, end users, value and market demand, and timescales. The conclusions from the exercise had been assembled and tabled together; and were presented in Appendix 5 for comment, with a proposed recommendation in terms of disposal strategy and a pipeline delivery programme.

The Property Services Manager then outlined the Disposal Programme going forward, highlighting each of the appendices in turn.

The Executive had considered the matter on 28 October 2013 (EX.121/13 refers) and decided:

“That the Executive:

1. Noted the current position and progress with the Disposal Programme.
2. Had considered the proposed changes to the Disposal Programme, and the plans to bring forward potential housing development sites to meet the priorities of the Carlisle Plan, and address future housing needs, as set out in Report RD.47A/13, prior to passing the report to scrutiny for consideration.”

In considering the report Members raised the following comments and questions:

- A Member commented that, although he understood the financial situation and the current economic climate, he did not understand why properties which received a return of 10% had been sold and the capital received was then receiving a lower return in the bank. He reminded the Panel that Montagu Evans had recommended that the Council should not sell properties if they could not get a higher return than they were receiving.

The Property Services Manager reminded the Panel of the overall objective of the Plan to consolidate and rationalise the Council's portfolio. He agreed that some of the smaller assets had given higher returns but they had been subject to a number of small individual leases which had been relatively expensive to manage and this had not been reflected in the gross returns set out in the Montagu Evans Report.

- A Member sensed some anxiety with regard to the Morton site and asked if the district centre in Morton would be reviewed if the supermarket deal did not proceed.

The Property Services Manager explained that there had been a number of bidders for the Morton site and the Council was hopeful that there would be a capital receipt for the site. He added that the turmoil in the retail market meant that budget expectations would need to be managed accordingly.

- A Member congratulated the Property Services Manager and his team for the excellent work that had been undertaken and asked for further details on some of the potential housing development sites set out in appendix 5 of the report. She was aware that there had been problems with the sites when previous applications for development had been considered.

The Property Services Manager responded that appraisals had been carried out on all of the sites listed and the results showed that potentially all of the sites could be developed and issues resolved with some work and help from partners.

The Communities, Housing and Health Manager assured Members that the analysis had taken into account feedback from developers and partners through the Carlisle Housing Partnership. She added that there would need to be alternative thinking to progress the developments for housing especially regarding funding streams.

- A Member asked for clarity regarding the £563,000 loss of revenue which was 10.6% of the total gross receipt as set out in appendix 1 of the report.

The Property Services Manager explained that the £563,000 was the total rental loss at the end of all of the disposals which would be made up by the planned acquisitions as shown in the table on page 12 of the report.

In response to a Members question the Property Services Manager clarified the figures set out in appendix 1 of the report and reminded the Panel that the Asset Review Business Plan had to be considered in conjunction with the Local Plan especially with regard to housing development matters.

The Finance, Governance and Resources Portfolio Holder felt that the Panel were being overly negative with regard to the Asset Management Plan. He reminded that Panel of the current economic climate and highlighted the income that had already been generated by the excellent work carried out by Property Services. The liability to the Council had been reduced and the income from rentals had been increased. The

19 pieces of land which had been identified for housing purposes would create homes as well as jobs.

RESOLVED – That the Refresh of the Disposal Programme (Report RD.47A/13) be welcomed.

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 28 OCTOBER 2013

EX.121/13 ASSET REVIEW BUSINESS PLAN – REFRESH OF DISPOSAL PROGRAMME
(Key Decision – KD.026/13)

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources

Subject Matter

The Finance, Governance and Resources Portfolio Holder reported (RD.47A/13) that, in discussion with Portfolio Holders, Officers had undertaken a mid-term review of the Disposal Programme, stocktaking the current position in the light of progress, changing circumstances, and the emerging priorities in the Carlisle Plan 2013-2016 to address future housing needs.

Members' attention was drawn to the Disposal Monitoring Schedule (Appendix 1) which set out the current position and work in progress for each of the original 51 assets earmarked for disposal. Also shown (for those assets where sales had been completed) were the target receipts and actual outcomes; the impact on rental income and leases; and the cost to date of realising sales.

The Finance, Governance and Resources Portfolio Holder also summarised the overall position to date in terms of disposals, acquisitions and the impact on rental income. The cost to date of realising sales including marketing, agency fees and ancillary disbursements, amounted to circa £133k which at 2% of gross receipts was within budget targets.

A significant part of the Business Plan delivery, and the re-engineering of the Council's portfolio, hinged on the release and disposal of the latent value in the Council's retail and residential assets at Morton. There was a risk that delays in the disposal of that asset would have a substantial impact on the Disposal Programme, the capital reinvestment plans and revenue position of the Council. That had been recognised and identified on the Council's Corporate Risk Register and was being carefully monitored.

Turning to the issue of Housing priorities, the Finance, Governance and Resources Portfolio Holder indicated that The Carlisle Plan 2013-16 identified the delivery of housing as a priority action for the Council going forward. A number of sites earmarked for disposal in the original Disposal Programme (10 in total) had the potential, subject to market demand and planning to deliver residential development opportunities in the

short to medium and longer term. That could be through the private sector, Registered Social Landlords, a mix of both or bespoke initiatives such as self build schemes.

Additionally a recent trawl of the operational portfolio had been undertaken to identify any vacant land, or assets which may become surplus to requirements in the future, and merit consideration for inclusion in the Disposal Programme as a 2nd Phase of asset sales, which potentially may be suitable for release as housing development land. The sift had resulted in a further 9 assets being identified for possible inclusion in the Disposal Programme, those were shown listed within the Disposal Monitoring Schedule Appendix 1 as “Phase 2”.

Bringing forward land for residential development for sale in the market place was commonly a resource intensive and time consuming exercise. Much depended upon the planning situation, whether there was a current housing allocation, the prospect if at all for a future allocation and, if that could be realised, whether the timescale was in the short, medium or longer term.

The suitability of the 19 assets in the original Disposal Programme and “Phase 2” to deliver future housing needs had been assessed through a desk top appraisal by Planning, Housing and Property Officers. Site locations for all the assets involved were shown on the Plan, attached as Appendix 2, edged in red and shaded either green, red, orange or yellow. Land shaded light pink on the Plan highlighted the relationship of those sites with other land in Council ownership.

The desktop evaluation had looked at the pertinent criteria most likely to influence the ability to deliver land for residential development including inter alia current use and occupation, planning, site conditions and constraints, end users, value and market demand, and timescales. The conclusions from the exercise had been assembled and tabled together; and were presented in Appendix 5 for comment, with a proposed recommendation in terms of disposal strategy and a pipeline delivery programme.

The Finance, Governance and Resources Portfolio Holder then outlined the Disposal Programme going forward, highlighting the undernoted Schedules:

Appendix 3 – detailed the asset sales within the original Programme which had been put on hold, delayed or postponed. The position was noted and a future course of action for each was proposed.

Appendix 4 – set out details for assets which had already received Executive consent to release. Sales were in the pipeline or the preparatory work to bring the assets to the market was already underway. The Executive was invited to note the position.

Appendix 5 – detailed the 19 assets identified from the original Disposal Programme (10), and the recent trawl of operational property (9), which had been assessed for suitability and viability as potential housing development sites with a view to bringing forward a future delivery programme to meet the Council’s housing aspirations and budgetary requirements. For each site under assessment the asset details were set out, together with the current planning position, and other material considerations. A

proposed course of action was suggested for each individual asset which could be broken down into a number of groupings and proposed outcomes/actions.

In conclusion the Finance, Governance and Resources Portfolio Holder moved the recommendations which were agreed.

Summary of options rejected None

DECISION

That the Executive:

1. Noted the current position and progress with the Disposal Programme.
2. Had considered the proposed changes to the Disposal Programme, and the plans to bring forward potential housing development sites to meet the priorities of the Carlisle Plan, and address future housing needs, as set out in Report RD.47A/13, prior to passing the report to scrutiny for consideration.

Reasons for Decision

To more effectively manage the Council's assets in pursuit of wider strategic and budgetary objectives, and bring forward land for development to meet the goals of the Carlisle Plan to address housing needs

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 16 DECEMBER 2013

**EX.158/13 **ASSET REVIEW BUSINESS PLAN – REFRESH OF DISPOSAL
PROGRAMME
(Key Decision – KD.026/13)**

(In accordance with Paragraph 15(i) of the Overview and Scrutiny Procedure Rules, the Mayor had agreed that call-in procedures should not be applied to this item)

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources

Subject Matter

Pursuant to Minute EX.121/13, the Finance, Governance and Resources Portfolio Holder reported (RD.64/13) that Officers had, in discussion with Portfolio Holders, undertaken a mid-term review of the Disposal Programme, stocktaking the current position in the light of progress, changing circumstances, and the emerging priorities in the Carlisle Plan 2013-2016 to address future housing needs. The Disposal Monitoring Schedule (attached at Appendix 1) set out the current position and work in progress for each of the original 51 assets earmarked for disposal. Also shown (for those assets where sales had been completed) were the target receipts and actual outcomes; the impact on rental income and leases; and the cost to date of realising sales.

The Finance, Governance and Resources Portfolio Holder also summarised the overall position to date in terms of disposals, acquisitions and the impact on rental income. The cost to date of realising sales including marketing, agency fees and ancillary disbursements, amounted to circa £133k which at 2% of gross receipts was within budget targets.

He reiterated that a significant part of the Business Plan delivery, and the re-engineering of the Council's portfolio, hinged on the release and disposal of the latent value in the Council's retail and residential assets at Morton. There was a risk that delays in the disposal of that asset would have a substantial impact on the Disposal Programme, the capital reinvestment plans and revenue position of the Council. That had been recognised and identified on the Council's Corporate Risk Register and was being carefully monitored.

Turning to the issue of Housing priorities, the Finance, Governance and Resources Portfolio Holder reminded Members that The Carlisle Plan 2013-16 identified the delivery of housing as a priority action for the Council going forward. A number of sites earmarked for disposal in the original Disposal Programme (10 in total) had the

potential, subject to market demand and planning to deliver residential development opportunities in the short to medium and longer term. That could be through the private sector, Registered Social Landlords, a mix of both or bespoke initiatives such as self build schemes.

Additionally a recent trawl of the operational portfolio had been undertaken to identify any vacant land, or assets which may become surplus to requirements in the future, and merit consideration for inclusion in the Disposal Programme as a 2nd Phase of asset sales, which potentially may be suitable for release as housing development land. The sift had resulted in a further 9 assets being identified for possible inclusion in the Disposal Programme, those were shown listed within the Disposal Monitoring Schedule Appendix 1 as “Phase 2”.

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The desktop evaluation had looked at the pertinent criteria most likely to influence the ability to deliver land for residential development including inter alia current use and occupation, planning, site conditions and constraints, end users, value and market demand, and timescales. The conclusions from the exercise had been assembled and tabled together; and were presented in Appendix 5 for comment, with a proposed recommendation in terms of disposal strategy and a pipeline delivery programme.

The Finance, Governance and Resources Portfolio Holder then outlined the Disposal Programme going forward highlighting, in particular, the Schedules attached at Appendices 3, 4 and 5.

The Resources Overview and Scrutiny Panel had, on 28 November 2013, considered the matter and resolved “That the Refresh of the Disposal Programme (Report RD.47A/13) be welcomed.” A copy of Minute Excerpt ROSP.81/13 had been circulated.

In conclusion the Finance, Governance and Resources Portfolio Holder moved the recommendations which were seconded by the Leader.

Summary of options rejected None

DECISION

That the Executive had considered the comments of the Resources Overview and Scrutiny Panel, as set out in Minute Excerpt ROSP.81/13, and referred the Report to full Council for adoption.

Reasons for Decision

To more effectively manage the Council's assets in pursuit of wider strategic and budgetary objectives, and bring forward land for development to meet the goals of the Carlisle Plan to address housing needs