

REPORT OF THE STRATEGIC DIRECTOR PLACE

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TO THE CITY MAYOR'S REGENERATION BRIEFING

Decision – 28 March 2022

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**TITLE:** DISPOSAL OF LAND AT EDISON ROAD, ECCLES

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**RECOMMENDATIONS:**

The City Mayor is recommended to:

Note the proposals detailed below on the terms as set out in the body of this report and on the detailed terms set out in an accompanying Part 2 report for approval elsewhere on the agenda.

1. Approve the revised offer associated with the disposal of land at Edison Road, Eccles
  2. Authorise that the Shared Legal Service negotiate, agree and complete all necessary documentation and the taking of all steps required to effect the disposal on the terms agreed (as varied by the revised offer).
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**EXECUTIVE SUMMARY:**

City Mayor approved the disposal of land at Edison Road, Eccles to ForViva on 9 November 2020 subject to provisionally agreed terms.

A planning application was submitted by ForViva in May 2021 associated with the erection of 42 apartments and 9 houses.

The Edison Road site comprises of two disused tennis courts and one disused bowling green with pavilion. As the proposed development will involve the permanent loss of open space, planning policy states that appropriate compensation is provided as mitigation to make the principle of the loss acceptable.

To enable the planning process to progress ForViva is required to provide financial compensation to be invested in facilities and open spaces locally. The amount is considerably higher than ForViva had budgeted.

Whilst ForViva has accepted the level of compensation payable the amount has had an impact on viability and the level of capital receipt.

A revised offer has been made by ForViva associated with the purchase of the land and although the proposed capital receipt has decreased, the total amount of monies that will be paid to the City Council, including compensation for the loss of open space, is greater (with the apportionment of monies to be distributed differently). It should be noted that the two elements will be received by the Council in separate capacities (1) capital receipt as landowner (2) planning contribution as Local Planning authority.

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## **BACKGROUND DOCUMENTS: No**

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## **KEY DECISION: YES**

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### **1.0 BACKGROUND**

- 1.1 City Mayor approved the disposal of land at Edison Road, Eccles to ForViva on 9 November 2020 subject to provisionally agreed terms.
- 1.2 An offer was accepted based on a scheme comprising 51 social rented units.
- 1.3 A planning application was submitted by ForViva in May 2021 comprising 42no. apartments, 7no. 3 bed houses and 2no. 4 bed houses (all social rent).
- 1.4 Following discussions with housing strategy it has been proposed that 4 of the 3 bed houses would be available on a shared ownership basis with the remainder of the development (47 units) being available for social rent.

### **2.0 DETAILS**

- 2.1 The Edison Road site comprises of two disused tennis courts and one disused bowling green with pavilion. As the proposed development will involve the permanent loss of open space, planning policy states that appropriate compensation is provided as mitigation to make the principle of the loss acceptable.
- 2.2 To enable the planning process to progress ForViva is required to provide financial compensation to be invested in facilities and open spaces locally. The amount is considerably higher than ForViva had budgeted.
- 2.3 Whilst ForViva has accepted the level of compensation payable the amount has had an impact on viability and the level of capital receipt payable for the land.
- 2.4 A further appraisal has been completed by ForViva which includes the financial compensation.

2.5 The appraisal has been reviewed and taking into account the requirement to compensate for the loss of open space (which would apply to any redevelopment of the site) the revised offer represents market value and will see the delivery of 51 new homes of which 47 will be made available for social rent and 4 on a shared ownership basis.

### **3.0 RECOMMENDATION**

The City Mayor is recommended to:

Note the proposals detailed below on the terms as set out in the body of this report and on the detailed terms set out in an accompanying Part 2 report for approval elsewhere on the agenda.

1. Approve the revised offer associated with the disposal of land at Edison Road, Eccles
2. Authorise that the Shared Legal Service negotiate, agree and complete all necessary documentation and the taking of all steps required to effect the disposal on the terms agreed (as varied by the revised offer).

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#### **KEY COUNCIL POLICIES:**

- Health and Social Care
- Housing
- Social impact

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#### **EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:**

There are no specific equality impact matters following from the proposals contained in this report.

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#### **ASSESSMENT OF RISK: Low**

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**ASSET VALUATION:** Circa £55,000 existing use (valuation date: 8 March 2019).  
Forms part of a wider Environment asset part of which is to be retained.

Asset number- 339AL001

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**LEGAL IMPLICATIONS** Supplied by: Michelle Brice

The recommendation/decision sought in this report is a commercial/valuation consideration/decision, based on a revised appraisal taking into account planning requirements.

Any legal documents agreed should cover both the disposal and capital receipt terms and the loss of open space contribution. Such documents to be entered into by the Council in (1) its landowner capacity and (2) LPA capacity to reflect and protect the revised terms agreed.

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**FINANCIAL IMPLICATIONS Supplied by: Natalie Birchall**

The proposed disposal by way of 250 year lease would generate an increased receipt to Salford. Following a revised appraisal by ForViva a financial compensation will be required, and in line with council policy the revised land value of will be used to repay debt.

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**PROCUREMENT IMPLICATIONS Supplied by: Not applicable**

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**HR IMPLICATIONS Supplied by: Not applicable**

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**MEMBER COMMENTS:** Members have been informed that Heads of Terms associated with the sale of the Edison Road site to ForViva are proposed to be modified.

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**CLIMATE CHANGE IMPLICATIONS Supplied by: Not applicable**

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**OTHER DIRECTORATES CONSULTED: None**

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**WARDS TO WHICH REPORT RELATES:** Barton