

REPORT OF THE STRATEGIC DIRECTOR PLACE

TO THE CITY MAYOR'S REGENERATION BRIEFING

Decision - 22 August 2022

TITLE: DISPOSAL OF LAND AT HILLTOP ROAD, WALKDEN

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 terms associated with the disposal of land at Hill Top Road, Walkden
 2. Note the outcome of the advertising of the intention to dispose of an area of public open space at Hill Top Road, Walkden under Section 123(1), (2a) of the Local Government Act 1972.
 3. Delegate authority to the Strategic Director of Place and the Section 151 officer to negotiate and finalise the commercial arrangements and all other necessary ancillary agreements to allow the completion of the arrangements as detailed in this report
 4. Authorise the City Solicitor to progress and complete the associated legal formalities and the taking of all steps required to give effect to the above recommendations.
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EXECUTIVE SUMMARY:

Terms associated with the disposal of land at Hill Top Road, Walkden, shown edged red on the attached plan (Annex 1), were approved by the then Deputy City Mayor on 10th October 2013. The parties agreed to vary the terms and the proposed variations were set out in a further report approved by City Mayor on 14 October 2019 (report provided as a background document).

Since the last report was considered by City Mayor in 2019 discussions with Redwater have continued and further variations to the proposed agreement have been provisionally agreed:

- Extension of the lease term to 999 years with the ability for Redwater to draw down the freehold of the site (but not before practical completion of the works to Walkden Cricket Club). The previous approval was for a 250 year term with the ability to draw down freehold.
- A mechanism for a further costs review upon completion of the residential development and the WCC works.
- Grant of a sublease by Redwater to Great Places of the whole residential site for a term a few days short of 999 years. The sublease will provide Great Places with the necessary land interest to enable scheme delivery. The sublease will be entered into simultaneously with the headlease to be granted to Redwater by the Council.
- Grant of a legal charge by Redwater to Great Places, allowing Great Places to step into the headlease in the event of default by Redwater in delivering the cricket club works (as agreed under specifications contained within the planning consent)
- Great Places to deliver 90 units which will be 100% affordable (20 social rent, 31 affordable rent and 39 shared ownership). Salford to have 100% nomination rights. The proposal approved in 2019 was for a scheme of 79 units with 20% affordable provision.
- Grant of an easement across Harriet Street playing fields associated with the installation of foul and water surface drainage to serve the residential units.

On the 16th June 2022 Planning Panel approved the application for the erection of 90 residential dwellings (layout shown at Annex 3), improvements to the Cricket Club and the reprofiling of Harriet Street playing fields (Council owned) under reference 20/76326/FUL.

In accordance with the Agreement for Lease a revised appraisal from Redwater has been received to reflect the planning requirements and the 100% affordable housing provision. The appraisal has been reviewed and the land value payment remains unchanged and is considered fair and reasonable.

The Council had previously advertised its intention to dispose of open space at Hill Top Road in 2014 to support delivery of the original scheme, however the revised scheme needs additional parcels of open space either to be included in the lease or over which rights will be granted. A plan showing the additional areas is provided at (Annex 2)

As the additional areas are classed as public open space, prior to any proposed disposal it is a legal requirement under Local Government Act 1972 for the Council to notify its intention to dispose of the land and consider any objections.

The intention to dispose of an area of public open space has been publicised in a newspaper circulating in the area, responses received will be reported verbally to City Mayor when the disposal report is presented for decision on 22 August 2022.

BACKGROUND DOCUMENTS: City Mayor Report dated 14 October 2019

KEY DECISION: YES

1.0 BACKGROUND

- 1.1 The City Council (via the then Deputy City Mayor) approved, on 10th October 2013, the disposal of land at Hill Top Road, Walkden to Redwater Developments Limited (Redwater) by way of a 250 year lease at a premium. Terms were later varied and reported to City Mayor on 14 October 2019, a copy of the report is provided as a background document.
- 1.2 An Agreement for Lease was exchanged with Redwater on 21st December 2018 and will contractually expire on 20th September 2022. In this timeframe Redwater are obliged to, work up a scheme for both the Cricket Club and the residential development, receive planning consent, enter into an agreement with the Cricket Club for carrying out of the works to the club and complete the lease.
- 1.3 On the 16th June 2022 Planning Panel approved the application for the erection of 90 residential dwellings (layout shown at Annex 3), improvements to the Cricket Club and the reprofiling of Harriet Street playing fields (Council owned) under reference 20/76326/FUL.
- 1.4 The Council had previously advertised its intention to dispose of open space at Hill Top Road in 2014 to support delivery of the original scheme, however the revised scheme needs additional parcels of open space either to be included in the lease or over which rights will be granted. A plan showing the additional areas is provided at (Annex 2)
- 1.5 As the additional areas are classed as public open space, prior to any proposed disposal it is a legal requirement under Local Government Act 1972 for the Council to notify its intention to dispose of the land and consider any objections.
- 1.6 The intention to dispose of an area of public open space has been publicised in a newspaper circulating in the area, responses received will be reported verbally to City Mayor when the disposal report is presented for decision on 22nd August 2022.

2.0 DETAILS

- 2.1 Since the last report was considered by City Mayor in 2019 discussions with Redwater have continued and further variations to the proposed agreement have been provisionally agreed, these are as follows:-
- Extension of the lease term to 999 years with the ability for Redwater to draw down the freehold of the site either as a whole or in stages for nominal consideration (but not before practical completion of the works to Walkden Cricket Club). The previous approval was for a 250 year term with the ability to draw down freehold. The grant of a 999 year lease is required to ensure that the shared ownership units meet Homes England requirements.
 - A mechanism for a further costs review upon completion of the residential development and the WCC works, to assess the actual costs of the WCC works and the abnormals. Any savings to be paid by Redwater to the Council before the freehold of the final few units can be transferred.
 - Grant of a sublease by Redwater to Great Places of the whole residential site for a term a few days short of 999 years. The sublease will provide Great Places with the necessary land interest to enable scheme delivery. The sublease will be entered into simultaneously with the headlease to be granted to Redwater by the Council.
 - Grant of a legal charge by Redwater to Great Places, allowing Great Places to step into the headlease in the event of default by Redwater in delivering the cricket club works (as agreed under specifications contained within the planning consent)
 - Great Places to deliver 90 units which will be 100% affordable (20 social rent, 31 affordable rent and 39 shared ownership). Salford to have 100% nomination rights. The proposal approved in 2019 was for a scheme of 79 units with 20% affordable provision
 - Grant of an easement across Harriet Street playing fields associated with the installation of foul and water surface drainage to serve the residential units
- 2.2 Under the terms of the agreement Redwater will continue to be responsible for all works connected with the Cricket Club and drainage improvements at Harriet Street playing fields. Great Places, with their construction partner Countryside, will be responsible for all works connected with the residential scheme.
- 2.3 To ensure works to the cricket club are completed, and in line with the delivery mechanism previously approved, no more than 50% of the residential units can be either occupied or sold under the headlease (the terms of which will be binding upon Great Places), before works to the cricket club have been completed.
- 2.4 In addition to carrying out works at the Cricket Club and drainage to the playing fields, Redwater will also rebuild the vacant council owned changing rooms on Harriet Street which have recently been badly fire damaged and are in the

process of being demolished. Once complete the changing rooms will serve the pitches on Harriet Street.

- 2.5 As a condition attached to the planning decision an ecology buffer surrounding the residential scheme is to be maintained by the developer, the land falls outside of the area to be disposed. Rather than pass the cost of maintaining the buffer onto residents an agreement has been reached whereby Great Places will pay to Salford a commuted sum to cover future maintenance costs. The amount has been shared with colleagues in Environment who have confirmed the level can be accepted.
- 2.6 In accordance with the Agreement for Lease a revised appraisal from Redwater has been received to reflect the planning requirements and the 100% affordable housing provision. The appraisal has been reviewed and the land value payment remains unchanged and is considered fair and reasonable, taking into account the works to the cricket club and drainage works to the sports pitches.
- 2.7 In order to protect the Council's land value, it has been agreed that, should the actual costs incurred on the Cricket Club works and abnormal costs be below the amounts within the appraisal, the "saving" will be payable to the Council as additional capital receipt. As noted above, this final appraisal must be carried out before the freehold of the final few dwellings can be transferred to Redwater.
- 2.8 Redwater have confirmed that Lancashire County Cricket Club are still supporting the scheme and are looking to utilise the facility for junior teams and providing training and coaching opportunities to tap into talent from the local area and other inner city areas.
- 2.9 Both Redwater and Great Places are keen to complete all associated documentation in August to ensure timescales connected with Homes England grant are met and to allow an immediate start on site.

3.0 CONCLUSION

- 3.1 The developer has been working on the scheme for over 10 years and has addressed a number of issues during that time. There have therefore been some changes to the scheme and the proposed deal.
- 3.2 The scheme will now deliver:
 - Investment in the cricket club which will (i) improve the facilities for the lessee (ii) be supported by Lancashire County Cricket Club who propose to utilise the facility for junior team matches and (iii) provide additional coaching opportunities for local youngsters
 - 90 new homes which will be 100% affordable (20 social rent, 31 affordable rent and 39 shared ownership). Salford to have 100% nomination rights

- Improved drainage/ reprofiling of Harriet Street playing fields- Council owned
- New car parking facility to serve users of Harriet Street playing fields and Walkden Cricket Club
- New changing rooms on Harriet Street to replace those recently fire damaged. Once complete the changing rooms will serve the pitches on Harriet Street.

4.0 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.

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KEY COUNCIL POLICIES:

- Health and Social Care
- Housing
- Social impact

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:

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

ASSESSMENT OF RISK: Low

ASSET VALUATION: £20,500 (Effective: 1 April 2018).

Asset number- 040HO003

LEGAL IMPLICATIONS Supplied by: Kate Bouchier- Shared Legal Services

As detailed in an accompanying Part 2 report for approval elsewhere on the agenda.

FINANCIAL IMPLICATIONS Supplied by: David R Mills- Interim Strategic Finance Manager

As detailed in an accompanying Part 2 report for approval elsewhere on the agenda.

PROCUREMENT IMPLICATIONS Supplied by: Not applicable

HR IMPLICATIONS Supplied by: Not applicable

MEMBER COMMENTS: Members have been informed that Heads of Terms associated with the disposal of land at Hill Top Road, Walkden are proposed to be varied.

CLIMATE CHANGE IMPLICATIONS Supplied by: Not applicable

OTHER DIRECTORATES CONSULTED: None

CONTACT OFFICER: Angela Martens

TEL NO: 779 6077

WARDS TO WHICH REPORT RELATES: North Walkden