

BIRMINGHAM CITY COUNCIL**PUBLIC**

Report to:	CABINET	
Report of:	Director of Property	
Date of Decision:	24th January 2017	
SUBJECT:	CABINET UPDATE - DISPOSAL OF LAND AT REDDITCH ROAD, KINGS NORTON, BIRMINGHAM	
Key Decision: Yes	Relevant Forward Plan Ref: 002755/2016	
If not in the Forward Plan: (please "X" box)	Chief Executive approved	<input type="checkbox"/>
	O&S Chairman approved	<input type="checkbox"/>
Relevant Cabinet Member(s):	The Leader of the Council – Cllr John Clancy	
Relevant O&S Chairman:	Cllr Mohammed Aikhlaq - Corporate Resources Overview and Scrutiny Committee	
Wards affected:	Kings Norton	

1. Purpose of report:
1.1 To update Members on the progress of the disposal of the property as shown edged black on the attached plan at Appendix 1.
1.2 Commercially confidential details of the transaction are contained within the Private Report.

2. Decision(s) recommended:
That the Cabinet:-
2.1 It is recommended that Cabinet notes this report.

Lead Contact Officer(s):	Ashley Skinner - Birmingham Property Services
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3. Consultation

3.1 Internal

- 3.1.1 Ward members (Kings Norton) have been consulted with no adverse comments received. Senior Officers from Birmingham Property Services, Housing Development, Planning and Regeneration, Legal and Democratic Services and City Finance have been consulted in the preparation of this report.

3.2 External

- 3.2.1 Extensive consultation has been undertaken within Kings Norton in relation to the Regeneration Programme and both outline and detailed planning requirements and positive feedback has been received.

4. Compliance Issues:

- 4.1.1 The proposal contributes towards the strategic outcomes outlined in the 'Council Business Plan and Budget 2016+' for a Stronger Economy, Thriving Local Communities and will help deliver a balanced budget through the delivery of a capital receipt. It also contributes toward the Kings Norton Three Estates Regeneration programme, which will create new homes and establish a new Local Neighbourhood.

- 4.1.2 **Fairness** - to tackle inequality and deprivation, promote social cohesion across all communities in Birmingham ensuring dignity, in the quality of making judgments that are free from discrimination. This will be achieved through the provision of community group hosting space such as training rooms, foyers, cafes and car parking for activities such as exercise groups, counselling sessions, MP surgeries, charity meetings and awareness events free of charge by the retail delivery partner.

- 4.1.2 **Prosperity** - to lay the foundations for a prosperous City, built on an inclusive economy. This will be achieved through charity funding programmes, hosting community groups and awareness campaigns in addition to the creation of up to 150 full / part time jobs in the immediate locality. This will be in addition to the supply chain job opportunities and construction related jobs which help to deliver the retail store and Local Neighbourhood.

- 4.1.3 **Democracy** – to involve local people and communities in the future of their local area to meet local community needs and to encourage localised targeting of training, education and employment initiatives as part of the commitment by the retail delivery partner.

4.2 Financial Implications

- 4.2.1 Any Capital Receipt from the disposal of Housing land is required to be either used for Housing Improvement Purposes or to support wider Council priorities with an equivalent value of debt transferred from the Housing Revenue Account to the General Fund.

- 4.2.2 A new highway access and traffic light junction will be constructed from the Redditch Road by the Council's appointed contractor Kier Living Limited, as part of the wider regeneration scheme. The funding for this element of the regeneration scheme was detailed in the Full Business Case approved by Cabinet on 27th July 2015.

- 4.2.3 The Property Asset Link references for the site are 03163 and 03164. This is a unique asset reference reflected on the Council's mapping and property systems.

4.3 Legal Implications

- 4.3.1 The Council has a duty to efficiently manage its assets and has the power to hold and dispose of land under Sections 120 and 123 of the Local Government Act 1972 and Section 32 of the Housing Act 1985, General Consent A.

4.4 Public Sector Equality Duty (see separate guidance note)

- 4.4.1 An Equality Assessment (EA001538 of the 16th November 2016 is attached at Annex 2), was undertaken for this proposal, which confirms there is no adverse impact and that a full EA is not required for the purposes of this report.

5. Relevant background/chronology of key events:

- 5.1 The Property is situated adjacent the A441 Redditch Road, Kings Norton, Birmingham and extends to 2.61 hectares (6.45 acres) and is identified as being suitable for the development of a retail store as part of the Scheme described in 5.2 herein.
- 5.2 The Kings Norton New Futures Programme is a large scale regeneration project which includes the three Estates of Pool Farm, Primrose and Hawkesley. The redevelopment programme includes the phased demolition of 876 properties in Pool Farm and Primrose and the construction of over 1,000 new homes in a mixture of types with 50% affordable and 50% for sale, providing a greater tenure choice, a new supermarket anchored as part of the neighbourhood along with a new neighbourhood park.
- 5.3 The Birmingham Municipal Housing Trust (BMHT) scheme has seen significant progress in line with the outline planning permission for 295 new homes and a new neighbourhood park through various phases of demolition and new construction activity which commenced on site in September 2016.
- 5.4 The Property was offered for sale by way of informal tender and Cabinet authority to proceed with the preferred bidder was obtained at the Cabinet meeting of the 22nd September 2015. Further negotiation has taken place with the retail delivery partner in respects to the specific detail of the sale documentation relating to the infrastructure interface and proposed store size and design which has resulted in protracted contractual delays and amendments.
- 5.5 Details of the updated and revised commercial disposal terms recommended for approval are included in the private report.

6. Evaluation of alternative option(s):

- 6.1 The Property comprises a key gateway into the Three Estates Local Neighbourhood, the revised sale terms will provide an opportunity to expedite the delivery of the retail store as part of the Scheme and to enhance the capital receipt realised. Not to proceed would jeopardise the delivery of the retail element, related jobs and realisation of a capital receipt.
- 6.2 The revised commercial disposal terms will contribute towards the successful delivery of the scheme and provide additional community facilities. Not to proceed on the revised terms will limit the community benefits to be realised.

7. Reasons for Decision(s):	
7.1 To note the revised terms and progress update of the disposal of the Property.	
Signatures	<u>Date</u>
Cllr John Clancy, Leader of the Council
Peter Jones – Director of Property

List of Background Documents used to compile this Report:
1. Public Report to Cabinet of 22 nd September 2015. 2. Public Report to Cabinet of 24 th September 2007. 3. Officers Files Save for confidential information

List of Appendices accompanying this Report (if any):
1. Appendix 1 – site plan 2. Appendix 2 – equality analysis EA001538

Report Version	4	Dated	11th January 2017
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