

Report to:	Cabinet
Report of:	Director of Property
Date of Decision:	October 2016
SUBJECT:	DISPOSAL OF 21 WILLIAM STREET, BIRMINGHAM,
Key Decision: Yes	Relevant Forward Plan Ref: 002046/2016
If not in the Forward Plan: (please "tick" box)	Chief Executive Approved <input type="checkbox"/> O & S Approved <input type="checkbox"/>
Relevant Cabinet Member:	Councillor John Clancy - Leader of the Council
Relevant O&S Chairman:	Cllr Mohammed Aikhlaq Cllr Waseem Zaffar – Corporate Resources Overview and Scrutiny Committee
Wards affected:	Ladywood Ward

1. Purpose of report:

- 1.1 To note the outcome of an informal tender for the sale of 21 William Street, Birmingham.
- 1.2 The subject property is shown edged black on the attached plan at appendix 1 extending to 1.35 acres/0.545 hectares
- 1.3 To note the use of a surplus property asset to generate investment in homes in order to address and meet the Council objectives.
- 1.4 An accompanying Private report provides commercially confidential information regarding the transaction.

2. Decision(s) recommended:

- 2.1 That Cabinet notes this report.
- 2.2 Approves the use of the capital receipt to repay debt and the use of the resultant revenue savings to offset the cost of borrowing to the Commercial Investment Portfolio arising from the recent purchase of the Red Rose shopping centre

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3. Consultation

3.1 Internal

Ward members (Ladywood) have been consulted with no adverse comments received. Clarification correspondence with regards to the proposed housing type and affordable housing provision has taken place with Cllr Kath Hartley and Cllr Sir Albert Bore. Senior officers from Birmingham Property Services, Legal and Democratic Services and City Finance have been consulted and involved in the preparation of this report and approve this report going forward.

3.2 External

Not applicable

4. Compliance Issues:

4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

The development of new homes for a growing city is a key objective of the Council Business Plan and Budget 2016+. The development of new housing within the City are in accordance with a number of the Council's key priorities, including:

Fairness - to tackle inequality and deprivation, promote social cohesion across all communities in Birmingham, and ensure dignity, in particular for our elderly and safeguarding for children – by providing new homes

Prosperity - to lay the foundations for a prosperous City, built on an inclusive economy – by stimulating the construction industry through enabling new housing building programmes through the use of surplus assets.

Democracy - to involve local people and communities in the future of their local area and their Public Services – by consulting communities about proposals for new development and ensure that new homes meet local needs and to encourage localised targeting of training, education and employment initiatives to complement the house-building programme.

The proposal also contributes towards the strategic outcomes outlined in the 'Council Business Plan and Budget 2016+', specifically to help deliver a balanced budget and contribute to the Council's plan to rationalise its property portfolio as part of its asset management programme.

4.2 Financial Implications

The disposal of this surplus asset will generate capital receipts for the Council to help support the Council Business Plan and Budget 2016+, and contribute to key business priorities.

4.3 Legal Implications

The power to acquire, dispose and manage assets in land and property is contained in Section 120 and 123 of the Local Government Act 1972.

4.4 Public Sector Equality Duty

Having carried out an initial screening, there is no requirement to undertake a full equality analysis.

Equality Analysis (EA) Ref No. EA001478

5. Relevant background/chronology of key events:		
5.1	The subject property is shown edged black on the enclosed plan, extending to 1.35 acres/0.545 hectares.	
5.2	The property at 21 William Street (also known as Cedar House) comprises a former data centre located at the junction of William Street with Holiday Street and Communication Row.	
5.3	The property is surplus to the Council's needs and in bringing forward to market will enable the delivery of new housing on a brownfield site in the heart of the city centre with affordable housing provision or contributions considered as part of the planning process. The development of new housing within the City is in accordance with the Council's key priorities and objectives.	
5.4	The property has subsequently been offered for sale on the open unrestricted market. A tender report detailing the outcome of the tender process is appended to the report on the private agenda.	
6. Evaluation of alternative option(s):		
6.1	Not to proceed with the sale would prevent the development of new housing supply within the city on a brownfield site.	
6.2	Not to proceed would mean not realising a capital receipt	
6.3	Additionally the Council would retain the maintenance liability of the empty property.	
7. Reasons for Decision(s):		
7.1	The development of new housing on a brownfield site assisting with the Council's delivery of new houses.	
7.2	The disposal will generate a capital receipt that can be reinvested by the City.	
7.3	The sale and subsequent redevelopment of the property will ensure that an under-utilised property will be brought back into beneficial use for the delivery of housing.	
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:		
n/a		
List of Appendices accompanying this Report (if any):		
1.	Appendix 1 – Site Plan	