

BIRMINGHAM CITY COUNCIL

JOINT CABINET MEMBER AND CHIEF OFFICER

THURSDAY, 23 MAY 2019 AT 00:00 HOURS
IN CABINET MEMBERS OFFICE, COUNCIL HOUSE, VICTORIA
SQUARE, BIRMINGHAM, B1 1BB

A G E N D A

3 - 20

1 DISPOSAL OF SURPLUS PROPERTIES

Report of Director of Inclusive Growth

Birmingham City Council

Report to LEADER OF THE COUNCIL JOINTLY WITH THE DIRECTOR INCLUSIVE GROWTH



May 2019

Subject:	DISPOSAL OF SURPLUS PROPERTIES
Report of:	DIRECTOR, INCLUSIVE GROWTH
Relevant Cabinet Member:	Councillor Ian Ward – Leader of the Council
Relevant O &S Chair(s):	Councillor Tahir Ali – Economy and Skills Councillor Sir Albert Bore – Resources
Report authors:	Rob King - Business Centre Manager Property Services Email: robert.king@birmingham.gov.uk Tel: 0121 303 3928

Are specific wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No – All wards affected
If yes, names of wards: Castle Vale, Erdington, Highters Heath,		
Is this a key decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, add Forward Plan Reference:		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential :		

1 Executive Summary

- 1.1 The continued review of the Council's land and property portfolio has identified the individual property interests listed in Appendix 1 of this report as being surplus to Council requirements.
- 1.2 It is proposed that these property interests form part of an agreed programme of land and property sales to be implemented during financial year 2019 - 20.

2 Recommendations

The Leader and Director Inclusive Growth are recommended to:

- 2.1 Approve the sales programme detailed in Appendix 1 of this report, authorising the sale of the surplus property interests listed.

- 2.2 Note that in accordance with existing surplus property procedures no internal re-use of the properties listed in Appendix 1 has been identified.
- 2.3 Authorise the City Solicitor where necessary, to advertise the permanent loss of public open space and consider any objections in accordance with Section 123(2a) of the Local Government Act 1972.
- 2.4 Authorise the City Solicitor to negotiate, execute and complete all necessary legal documents to give effect to the above recommendations.

3 **Background**

- 3.1 The on-going review of the Council's various land and property portfolios has identified those individual property interests listed in Appendix 1, as being surplus to Council requirements. It is proposed that these interests will form part of an agreed programme of property sales to be implemented during 2019-20.
- 3.2 The properties listed in Appendix 1 are deemed non-strategic assets that currently create management pressures (and costs) without contributing to the Council's priorities. Accordingly, their release for potential sale will not only reduce the Council's liabilities and generate capital receipts, but also provide opportunities for infill development.
- 3.3 All the properties are surplus to Council requirements, and have been fully considered in accordance with current surplus property procedures with no alternative internal use identified.
- 3.4 In addition to this schedule of property it is anticipated that the ongoing review will identify further surplus property interests to supplement the programme going forward. All such opportunities will be the subject of further reports.
- 3.5 The sales methodology to deliver the programme will fully recognise market sentiment and individual circumstance. Accordingly, the interests will be sold either via public auction or as a solus negotiated sale to an adjoining land owner. The proposed delivery strategy and mode of sale adopted is tailored to maximise both the prospect of a sale completion, receipt realisation and demonstrate best consideration.
- 3.6 The rationale for choosing these modes of sale is in the case of auctions, primarily to ensure that there is certainty of delivering receipt realisation by specified dates ie 28 days post auction date, and ensuring interim management costs ahead of sale completion are kept to a minimum. Whilst the solus negotiated sale option will provide the Council with opportunity to pursue enhanced financial benefit by entering into exclusive negotiations with an adjoining landowner, rather than dealing with the Council's land in isolation.

4 Options considered and Recommended Proposal

- 4.1 The sites have been considered in accordance with current surplus property procedures with no alternative internal use identified.
- 4.2 These properties are not considered to be of strategic importance therefore there is no merit in retaining the properties, and their sale will remove an ongoing management liability to the Council.
- 4.3 Options have been considered for the disposal methodology for these assets and the chosen routes are considered to be the best in order to maximise both the prospect of a sale completion, receipt realisation and demonstrate best consideration.
- 4.4 The preferred option, as recommended, is to deliver a focussed disposal programme of land and property sales.
- 4.5 The sale of the subject sites will promote private investment into the City region economy.

5. Consultation

5.1 Internal

- 5.1.1 The Leader of the Council has been consulted regarding the contents of this report, and is fully supportive of the report proceeding to an executive decision.
- 5.1.2 The report has been considered and cleared by the Property and Assets Board
- 5.1.3 Officers from Legal Services, City Finance and other relevant officers from Inclusive Growth Directorate have been involved in the preparation of this report and support its proposals.
- 5.1.4 The relevant Ward Members for each property have been consulted; the detail of this consultation is set out in Appendix 3 of this report.

5.2 External

- 5.2.1 Where necessary the tenants affected by the proposed sale have been advised of the Council's proposals.

6. Risk Management

- 6.1 Inability to meet property market timelines: To meet the expectations of the prevailing property market the Council is committed to deliver a programme of land and property sales to support business priorities. Approval of this report will support these priorities and enable sale receipts to be realised during financial years 2019-20.

7. Compliance Issues:

7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

7.1.1 The Property Strategy is aligned with the strategic outcomes outlined in the Council Plan 2018-2022 – to create a city of inclusive growth where every child, citizen and place matters. The Property Strategy will help make Birmingham: a great city to learn, work and invest in; a great city to grow up in; a great city to age well in; a great city to live in; and for residents to gain maximum benefit from hosting the Commonwealth Games.

7.1.2 As the largest local authority in the country with the biggest property portfolio we have the opportunity to utilise the Council's property and land assets in a strategic way to deliver our priorities.

7.1.3 The Property Strategy takes a medium to long term strategic approach to how we utilise our unique asset base and will ensure a balanced delivery of maximised commercial and social returns. Re-aligning the Council's property will provide a catalyst for development and underpin the social fabric of communities across the city.

7.2 Legal Implications

7.2.1 The power to hold, appropriate and dispose of land is contained in Sections 120 - 123 of the Local Government Act 1972, and Section 32 of the Housing Act 1985 in respect of HRA controlled assets.

7.2.2 Section 1 of the Localism Act 2011 contains the Council's general power of competence and Section 111 of the Local Government Act 1972 contains the Council's ancillary financial and expenditure powers in relation to the discharge of its functions including the disposal and acquisition of property.

7.3 Financial Implications

7.3.1 The disposal of surplus assets will generate capital receipts for the Council to help support the Council Plan 2018-2022, and contribute to key business priorities.

7.3.2 Income generated from property will be treated in accordance with the Capital Board and Treasury Management guidelines. An Investment Property Strategy report will be produced annually for approval by Cabinet.

7.3.4 As some of the properties to be sold are within the HRA, then in those cases the appropriate adjustment will be made to the capital financing charge to the HRA.

7.3.5 The total asset value of the properties listed in Appendix 1 is no greater than £1.0m, and no net loss of income is identified.

7.4 Human Resources Implications

7.4.1 Internal professional property, legal and planning resources will be utilised to deliver this programme of sales.

7.5 Public Sector Equality Duty

7.5.1 The proposed sales programme will be undertaken in accordance with the Property Strategy. The Property Strategy is a policy document setting out the strategy principles associated with property assets and at this stage there are no specific implications. An Equality Assessment Ref No. EQUA275 dated 15/03/2019, is attached as Appendix 3. The assessment confirms there is no adverse impact on the characteristics and groups protected under the Equality Act 2010 and a full Equality Assessment is not required for the purpose of this report.

8. Appendices

8.1 List of Appendices accompanying this Report (if any):

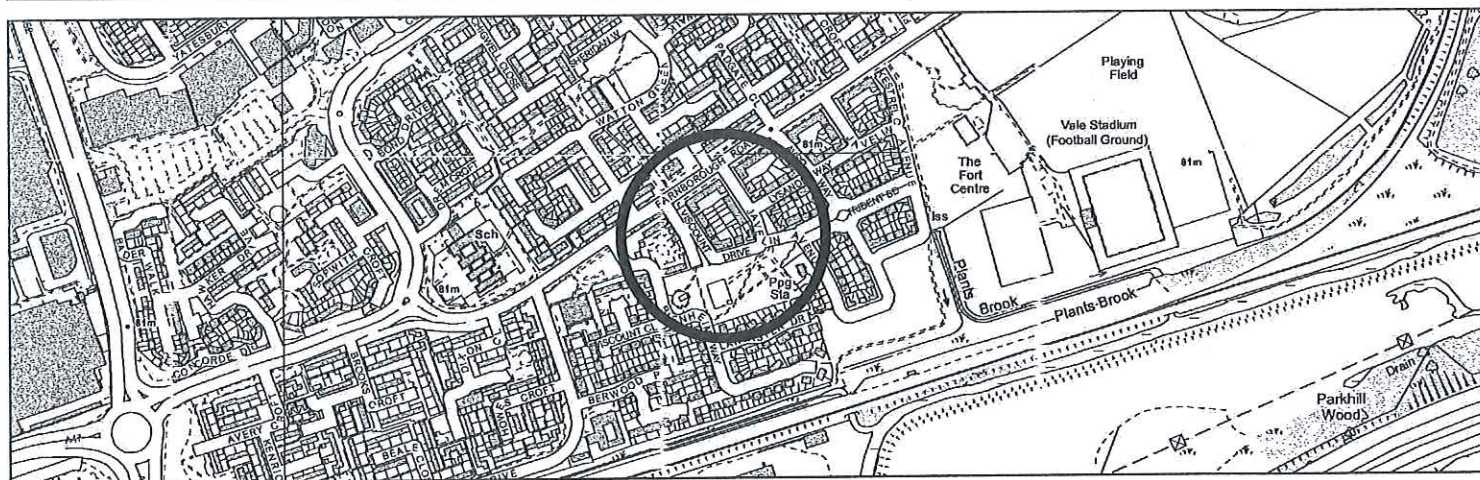
1. Appendix 1 – Sales Programme
2. Appendix 2 – Site Plans
3. Appendix 3 – Ward Member Consultation Record
4. Appendix 4 - Equality Assessment

9 Background Documents

1. Property Strategy 2018/19-2023/24

Property Disposals Programme 2019-20 Appendix 1 (April 2019)

Plan No.	Address	Description	Property Interest to be sold	Mode of Disposal	Ward
1.	Viscount House, 9 Viscount Drive Castle Vale B35 7JZ PAL 00160	Vacant former children's home Site area 878 sqm approx	Freehold	Public auction 2019 - 20	Castle Vale
2.	Land adjacent 2 Sutton New Road Erdington PAL 06349	Vacant land Site area 275 sqm approx	Freehold	Solus negotiated sale by private treaty to adjoining owner	Erdington
3.	Land adjacent to 58 Glenavon Road Kings Heath B14 5BL PAL 10373	Vacant HRA land Site area 107 sqm approx	Freehold	Public auction 2019 - 20	Highters Heath
4.	Land adjacent to 52 Glenavon Road Kings Heath B14 5BL PAL 10372	Vacant HRA land Site area 128 sqm approx	Freehold	Public auction 2019 - 20	Highters Heath



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Viscount House Childrens Home
Viscount Drive,
Castle Vale
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Scale (Main Map)

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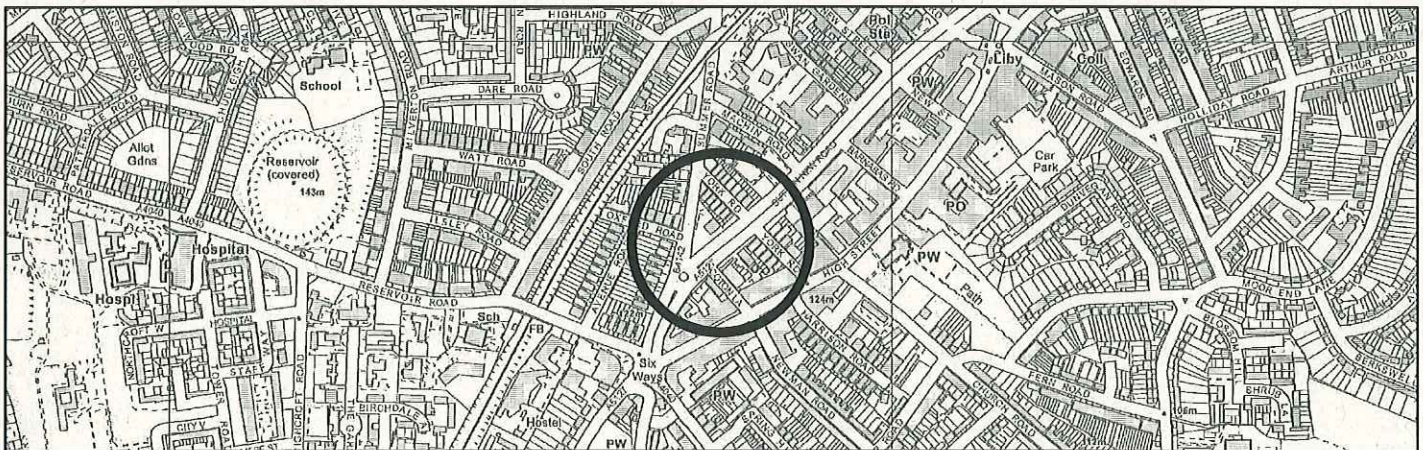
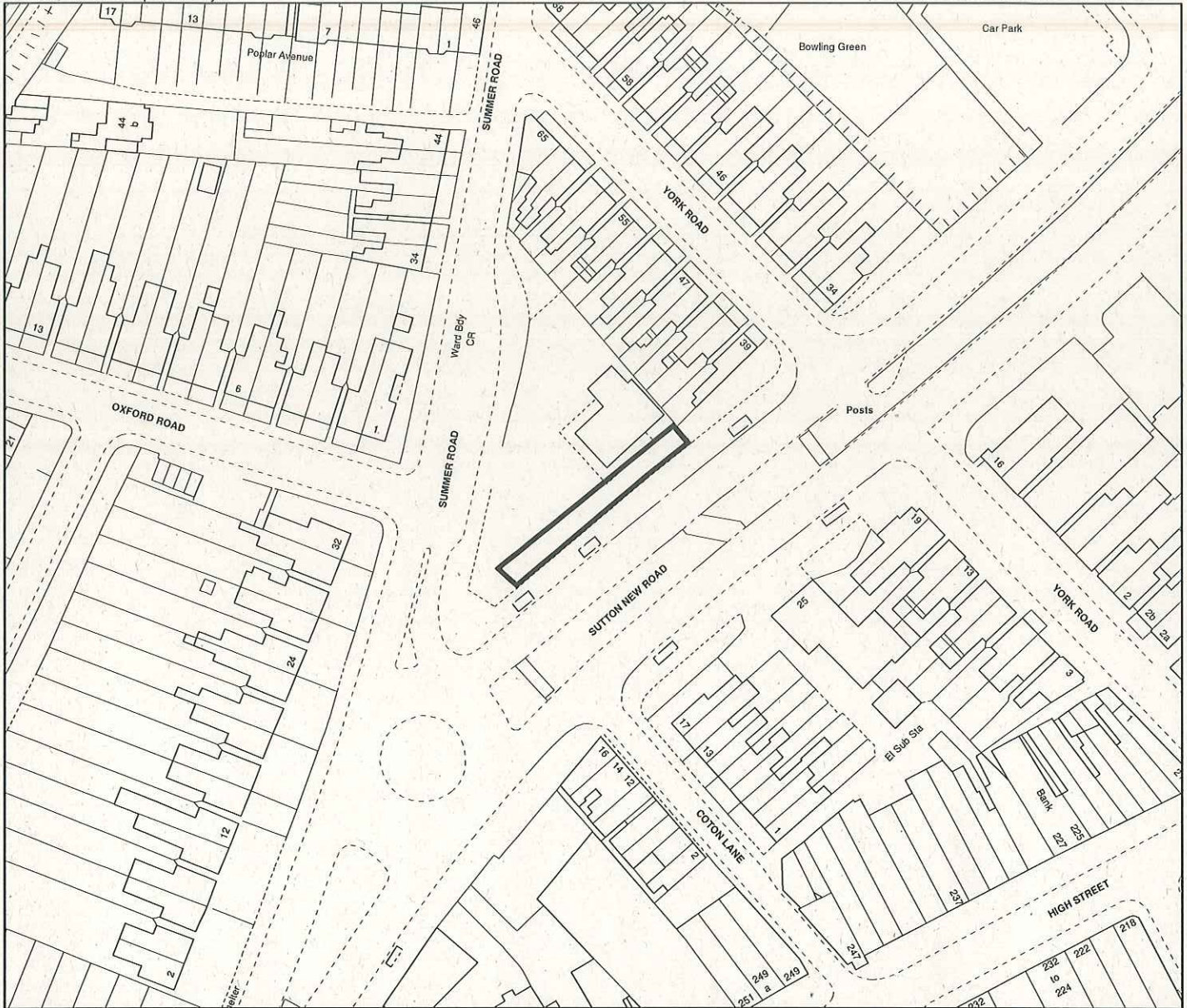
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Date

31/01/2019

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Land Adjacent To
2 Sutton New Road
Erdington



Scale (Main Map)

1:1,250

Drawn

MI

Date

11/03/2019

O.S.Ref SP1091NE



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Land adjacent to
52 Glenavon Road
Kings Heath



Scale (Main Map)

1:1,250

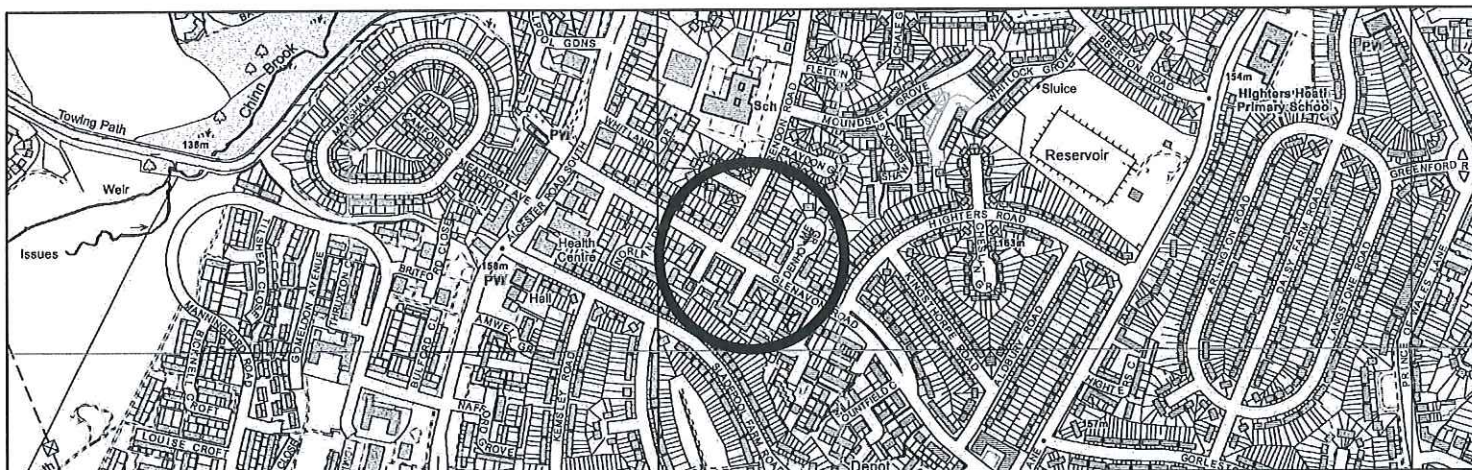
Drawn

Bharat Patel

Date

09/11/2018

O.S.Ref SP0879SW



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Land adjacent to
58 Glenavon Road
Kings Heath



Scale (Main Map)

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Drawn

Bharat Patel

Date

09/11/2018

O.S.Ref SP0879SW

Ward Member Consultation (April 2019)

PROPERTY ADDRESS	WARD	CONSULTATION	COUNCILLOR RESPONSE	RESPONSE
Viscount House, 9 Viscount Drive Castle Vale B35 7JZ	Castle Vale	Email dated 12/3/2019 requesting comments by 22/3/2019	Cllr Suzanne Webb - No response received	
Land adjacent 2 Sutton New Road Erdington	Erdington	Email dated 12/3/2019 requesting comments by 22/3/2019	Cllr Robert Alden Cllr Gareth Moore Email dated 18/03/2019 confirmed approval on behalf of both Ward Cllrs to the recommendation for sale.	
Land adjacent to 58 Glenavon Road Kings Heath B14 5BL	Highters Heath	Email dated 12/3/2019 requesting comments by 22/3/2019	Cllr Adam Higgs - No response received	
Land adjacent to 52 Glenavon Road Kings Heath B14 5BL	Highters Heath	Email dated 12/3/2019 requesting comments by 22/3/2019	Cllr Adam Higgs - No response received	

Title of proposed EIA	Disposal of Surplus Properties - April 2019
Reference No	EQUA275
EA is in support of	New Function
Review Frequency	Six Months
Date of first review	13/09/2019
Directorate	Economy
Division	Birmingham Property Services
Service Area	Property Valuation & Sales
Responsible Officer(s)	<input type="checkbox"/> Felicia Saunders
Quality Control Officer(s)	<input type="checkbox"/> Eden Ottley
Accountable Officer(s)	<input type="checkbox"/> Eden Ottley
Purpose of proposal	The continued review of the Council's land and property portfolio has identified as being surplus to Council requirements
What sources of data have been used to produce the screening of this policy/proposal?	Consultation Results; relevant reports/strategies
Please include any other sources of data	
PLEASE ASSESS THE POTENTIAL IMPACT ON THE FOLLOWING PROTECTED CHARACTERISTICS	
Protected characteristic: Age	Not Applicable
Age details:	
Protected characteristic: Disability	Not Applicable
Disability details:	
Protected characteristic: Gender	Not Applicable
Gender details:	
Protected characteristics: Gender Reassignment	Not Applicable
Gender reassignment details:	
Protected characteristics: Marriage and Civil Partnership	Not Applicable
Marriage and civil partnership details:	
Protected characteristics: Pregnancy and Maternity	Not Applicable
Pregnancy and maternity details:	
Protected characteristics: Race	Not Applicable
Race details:	

Protected characteristics: Religion or Beliefs

Not Applicable

Religion or beliefs details:

Protected characteristics: Sexual Orientation

Not Applicable

Sexual orientation details:

Please indicate any actions arising from completing this screening exercise.

Please indicate whether a full impact assessment is recommended

NO

What data has been collected to facilitate the assessment of this policy/proposal?

Consultation analysis

Adverse impact on any people with protected characteristics.

Could the policy/proposal be modified to reduce or eliminate any adverse impact on any particular group(s)?

How will the effect(s) of this policy/proposal on equality be monitored?

What data is required in the future to ensure effective monitoring of this policy/proposal?

Are there any adverse impacts on any particular group(s)

No

If yes, please explain your reasons for going ahead.

Initial equality impact assessment of your proposal

The disposal of surplus properties in Alum Rock, Castle Vale, Erdington, Highters Heath, Sparkbrook & Balsall Heath East, Sutton Vesey will provide opportunities for individuals and groups to regenerate the area. The disposals will be through auction and on an open market disposal basis, with the opportunity to purchase made available through market press releases.

No direct consultation is necessary for the disposal of these sites and members of the community have not been

Consulted People or Groups

disadvantaged or denied access.

The Leader of the Council, Property and Assets Board, officers from Legal Services, City Finance, and other relevant officers from Inclusive Growth. The relevant Ward Members have also been consulted.

Informed People or Groups

Summary and evidence of findings from your EIA

The Leader of the Council is fully supportive of the report proceeding to an executive decision. The relevant Ward Members for each property have no adverse comments regarding the report.

The disposals will be through auction and on an open market basis so all members of the community will have an opportunity to purchase the assets available.

The sale of these properties will offer opportunity to regenerate the respective areas, and provide new property and business opportunities to individuals and groups. No external

consultation is necessary for the disposal of these properties. The community has therefore not been disadvantaged or denied access to these opportunities.

There has been ongoing consultation with members of their respective constituency, who have as representation been consulted on issues of relevance.

There have been no issues raised which impact the wider community negatively, therefore a full equality assessment is not required at this stage.

QUALITY CONTORL SECTION

Submit to the Quality Control Officer for reviewing?

Yes

Quality Control Officer comments

Decision by Quality Control Officer

Proceed for final approval

Submit draft to Accountable Officer?

Yes

Decision by Accountable Officer

Approve

Date approved / rejected by the Accountable Officer

15/03/2019

Reasons for approval or rejection

Please print and save a PDF copy for your records

Yes

Content Type: Item

Version: 19.0

Created at 13/03/2019 08:27 AM by ☐ Felicia Saunders

Last modified at 15/03/2019 02:01 PM by Workflow on behalf of ☐ Eden Ottley

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