

Report to:	Cabinet	Date of Meeting:	Thursday 9 March 2023
Subject:	Disposal of land at Foul Lane, Southport		
Report of:	Executive Director of Corporate Resources and Customer Services	Wards Affected:	Norwood
Portfolio:	Cabinet Member - Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No, but Appendices 2 and 3 of the Report are NOT FOR PUBLICATION by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended). The Public Interest Test has been applied and favours the information being treated as exempt.		

Summary:

This paper requests Cabinet approval to complete the disposal of land at Foul Lane (the former park and ride site) in Southport to Homes England. Following the disposal, the site will be developed out as part of a larger residential development proposal, dependent upon the award of detailed planning consent.

A comprehensive review of the Council's asset base is being undertaken in phases, with assets defined as either supporting operational activity, having heritage value, being required to support the growth programme or being available for disposal. Land at Foul Lane was identified as being available for disposal to facilitate a housing redevelopment scheme in line with the site's designation in the Local Plan. Foul Lane was therefore included in the Asset Maximisation: Phase 2 Disposals Programme presented and approved by Cabinet on 24 June 2021.

Homes England approached the Council in autumn 2022 seeking to acquire the site at Foul Lane, Southport, as they had recently acquired the adjoining site known as Land at Crowland Street, which is also allocated for housing redevelopment in the Local Plan. Acquiring the site at Foul Lane will provide Homes England with single ownership of a site in excess of 63 acres, which will be subject to a detailed master plan and a planning application to deliver a policy compliant housing scheme.

Recommendations:

That Cabinet:

- (i) Approve the agreed Heads of Terms for the disposal of Land at Foul Lane, Southport, as detailed within Appendix 2 of this report;
- (ii) Approve the deduction of up to 4% of the eventual capital receipt to cover the professional fees and incidental costs of disposal as set out in Capital Accounting Regulations and
- (iii) Authorise the Chief Legal and Democratic Officer to complete the necessary legal formalities.

Reasons for the Recommendations:

- (i) This property transaction ensures delivery of new housing in line with the site's allocation in the Local Plan and allows the land at Foul Lane and land at Crowland Street to be brought forward as single master plan and delivered over a number of phases.

Alternative Options Considered and Rejected: (including any Risk Implications)

- (i) Option 1 – “*Do nothing*”: do not dispose of the site to Homes England. The Council would retain the former park and ride site.

Risk: the site would likely remain vacant and on the Council asset register. There would be ongoing holding costs liability and no capital receipt would be received.

- (ii) Option 2 – “*Redevelop the Foul Lane site in isolation*”: the Council could look to secure outline planning consent and to dispose of the site on market to a housebuilder

Risk: completion of land transaction would move into a later financial year and make delivery of a single, well-designed housing scheme difficult due to the need for combine sewers across sites and potential need for construction vehicular access to be provided to the Crowland Street site, which would cause disruption for residents.

What will it cost and how will it be financed?

(A) Revenue Costs

Work streams to conclude the sale will be progressed by internal team resources. Given the public sector to public sector basis of the deal, each party is responsible for paying their own legal costs and surveyor's fees incurred in the transaction. The Combined Authority has funded works associated with progressing Phase II site investigations to assess ground stability and abnormal costs. This survey work has informed the viability of the emerging master plan for the site, specifically informing an enabling works specification to overcome issues regarding poor ground bearing capacity.

(B) Capital Costs

There are no capital costs associated with the land sale transaction.

Implications of the Proposals:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Resource Implications (Financial, IT, Staffing and Assets): Property and Facilities Management to work alongside Corporate Legal Services to oversee the completion of the disposal.	
Legal Implications: The Chief Legal and Democratic Officer will complete the legal documentation for the disposal in accordance with Section 123 of the Local Government Act 1972 (as amended).	
Equality Implications: There are no equality implications.	
Climate Emergency Implications: The recommendations within this report will	
Have a positive impact	N
Have a neutral impact	N
Have a negative impact	Y
The Author has undertaken the Climate Emergency training for report authors	Y
<p>The recommendations within this report will have a negative impact on the carbon footprint of the Borough. There are the direct emissions which result from redevelopment of the vacant site as well as the long-term carbon emissions from each new building / operation created.</p> <p>To mitigate and help offset carbon emissions, the development of the site with buildings will be required to go through the Planning and Building Regulations processes which will help to minimise their carbon impact by applying the nationally required environmental standards.</p>	

Contribution to the Council's Core Purpose:

Protect the most vulnerable: not applicable.
Facilitate confident and resilient communities: The eventual property transaction will deliver new affordable housing in line with planning policy requirements, delivering a mix of housing types to the benefit of local communities..
Commission, broker and provide core services: the site disposal will support a number of Council service priorities including economic regeneration and the provision of housing (including affordable homes).
Place – leadership and influencer: not applicable.
Drivers of change and reform: disposal of the surplus site is in line with the Council's Corporate Strategy to deliver housing sites supporting the Council's Framework for Change Programme.

Facilitate sustainable economic prosperity: Homes England’s building contractor/ house builders will be required to use local labour in their supply chain during the construction works.

The construction works will deliver economic impacts including direct and indirect jobs.

Greater income for social investment: The disposal of the land will secure a capital receipt that will directly contribute to funding of the Council’s Growth Programme.

Cleaner Greener: New buildings provided as part of the scheme will utilise energy efficiency measures, potentially including EV charging points, air source heat pumps, PVs, and mechanical ventilation with heat recovery.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD7152/23) and the Chief Legal and Democratic Officer have been consulted (LD7152/23) and any comments have been incorporated into the report.

(B) External Consultations

Not applicable.

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting.

Contact Officer:	Dominic Ellis
Telephone Number:	0151 934 2751
Email Address:	dominic.ellis@sefton.gov.uk

Appendices:

Appendix 1 – Site Plan

Appendix 2 – Heads of Terms for disposal

Appendix 3 – Valuation Commentary

Background Papers:

There are no background papers available for inspection.

Disposal of Land at Foul Lane, Southport

1. Introduction

- 1.1** Land known as the former Park and Ride facility located off Foul Lane, Southport is a brownfield site comprising 8.7 acres (3.53 hectares), shown for identification purposes edged red on the plan attached at Appendix 1 of this report.
- 1.2** The redevelopment of the Foul Lane site was originally hindered by land title issues, specifically in relation to restrictive covenants and access constraints. The Council's registered title contained restrictive covenants for the benefit of the previous owners restricting the use of the site to Park and Ride only. The previous owners also owned the land to the rear, known as land at Crowland Street. A Local Plan requirement was that a single point of access was required from Foul Lane, which meant an access road crossing the Council's land was necessary to facilitate the development of the land at Crowland Street.
- 1.3** The Council and adjacent owners therefore negotiated terms whereby the Council grant an easement over its land enabling a highway crossing to be constructed (in a position to be mutually agreed) opening up the land at Crowland Street in return for a waiver of the overage rights over the Foul Lane site enabling that to be disposed of for residential purposes by the Council.
- 1.4** Homes England acquired the land at Crowland Street in March 2022 and thereafter approached the Council seeking terms to acquire the Council's interest in the land at Foul Lane, subject to the completion of intrusive site investigations and a valuation being completed. Acquiring the land at Foul Lane would allow Homes England to work up a larger housing development scheme to be brought forward for planning in 2023/24. The deal offered by Homes England is not conditional upon the award of planning consent.
- 1.5** The Council has allowed access for Contractors to undertake site investigations on the land for the highway crossing. The Combined Authority agreed to provide grant funding to the Council for predevelopment works on site, which have been completed. There are abnormal ground issues at the site due to composition of underlying strata, which contains peat and has extremely poor stability/ load bearing capacity.
- 1.6** The provisionally agreed Head so Terms for the disposal of the land at Foul Lane, Southport are shown in Appendix 2 of this report.

2. Planning Policy Context

- 2.1** The Foul Lane site is allocated in the Local Plan and forms a significant housing development opportunity capable of delivering in the region of 90 new homes.

3. Land Disposal Deal – Best Consideration

- 3.1** The Council is under an obligation to ensure that any offers for properties represent "best consideration" in accordance with Section 123 of the Local

Government Act 1972 (as amended). The transfer of land at Foul Lane to Homes England satisfies best consideration requirements under Section 123 of the Local Government Act 1972. Specifically, the agreed disposal price is supported by an independent valuation, which takes into account the intrusive site investigations and subsequent enabling works required to redevelop the site.

- 3.2** The proposed approach also takes account the Council's agreed Asset Disposal Policy which enables sales by way of private treaty or negotiated disposal where there are compelling reasons to treat with a purchaser such as the nature of the sites and the identified parties' status as a special or unique purchaser.
- 3.3** The land price that Homes England will pay the Council for the land at Foul Lane, Southport is stated in the Valuation Summary shown in Appendix 3 of this report.

