

**SALE OF MARCH FORMER HIGHWAYS DEPOT, QUEEN STREET, MARCH PE15
8SL TO CAMBRIDGESHIRE HOUSING & INVESTMENT COMPANY**

To: **Commercial & Investment Committee**

Meeting Date: **15th September 2017**

From: **Chris Malyon, Deputy Chief Executive**

Electoral division(s): **March North and Waldersey**

Forward Plan ref: **2017/050** *Key Decision:* **Yes**

Purpose: **To declare the March Former Depot, Queen Street surplus and agree the disposal sale to Cambridgeshire Housing & Investment Company (CHIC).**

Recommendation: **It is recommended that:-**

- 1. The Committee approve the disposal of land at the former Highways Depot to CHIC at 'best consideration' (subject to signed S106 and contamination assessment);**
- 2. The final terms of the disposal be delegated to the Deputy Chief Executive in consultation with the Chair of the Committee;**
- 3. The Committee receive feedback on the effectiveness of the disposal process at the next meeting.**

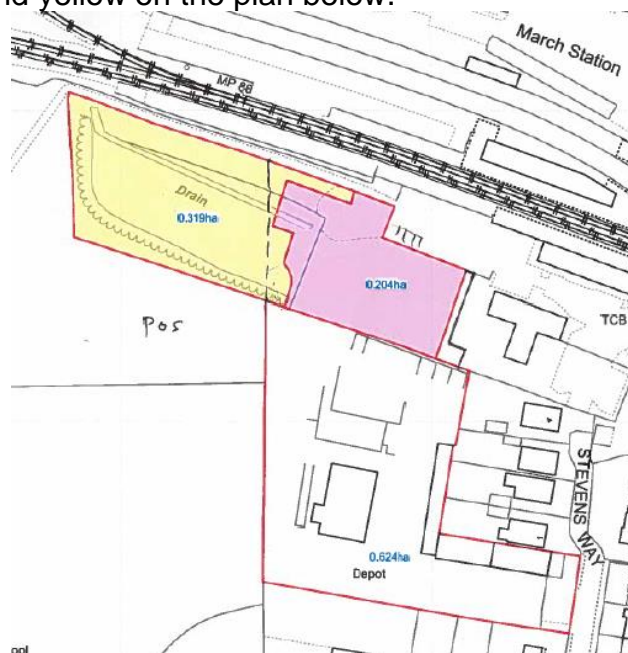
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1. BACKGROUND

- 1.1 Cambridgeshire County Council (CCC) own the freehold of the Former Highways Depot at Queen Street, March PE15 8SL. The depot has been vacant since 1996 when the service function relocated to Hostmoor Avenue, March.
- 1.2 The parcel of land is approximately 0.624 hectares off Queens Street and is within a short walking distance of March Railway Station to the north of the town centre. Outline of the site shown in the plan below.



- 1.3 Adjacent land owner Mike Smith owns land along the northern boundary of the depot shown coloured pink and yellow on the plan below.



- 1.4 Planning consent for a residential development on the depot site was previously granted in 2005 but the approval period has since lapsed. There had been little interest in the site when marketed at the time.
- 1.5 A revised residential scheme which is a joint collaboration with adjacent land owner Mike Smith which incorporates his parcel of land in the proposal was submitted for planning and recommended for approval in March 2017, subject to the S106 agreement being signed by 29 September 2017. Mike Smith's land represents 20% of the overall application area. The main advantage is a direct link into the railway station.
- 1.6 The site and buildings are currently in a dilapidated state and overgrown with vegetation. There is evidence that people have gained access to the site and have been fly tipping and others causing damage to the buildings.
- 1.7 CHIC has been set up as an investment company to generate revenue for CCC through its borrowing arrangement as well as capital receipts and all its profits benefit the CCC as its only shareholder.

2. MAIN ISSUES

- 2.1 Following an earlier desk top environmental survey carried out by MLM Consulting Engineers, a detailed contamination assessment is being carried out which will identify the extent of any remedial work which may be required and the associated costs to factor into the valuation. The asbestos element of the report has only identified a "low to very low risk". This remainder will be available towards the end of September.
- 2.2 The results of the contamination assessment will provide an indication of any remedial costs such as the removal of asbestos, which will then have to be factored into the valuation and purchase price.
- 2.3 The planning application incorporates a joint scheme with adjacent landowner Mike Smith and CHIC are negotiating directly with him. The parcel of land owned by Mike Smith will link to and create access to March Railway Station which will make the development more attractive to buyers. There is good demand for dwellings in the area.
- 2.4 The planning application submitted and pending the S106 agreement, was for the erection of 34 single-storey, 2 and 3-storey dwellings comprising of 8 x 4-bed, 18 x 3-bed and 8 x 2-bed with garages or parking (the proposed layout plan is detailed in **Appendix A**).
- 2.5 CHIC are in a position to progress the redevelopment of both the CCC asset and Mike Smith's adjacent parcel of land to maximise the development potential.
- 2.6 CHIC will acquire the land at 'best consideration' as previously agreed at the Commercial & Investment Committee meeting on 30th June 2017. A Registered Valuer has been appointed and they will carry out an inspection week commencing 11 September 2017. The valuation will have to make a provision for any remedial costs identified in the contamination survey available at the end of September.

- 2.7 LGSS Legal have been appointed to handle the sale with work on the draft contracts progressing with the aim to move to exchange and completion within a set time after planning consent and the s106 have been determined.

ADDITIONAL REQUIREMENTS FOR CONDITIONS OF SALE

- 2.8 The valuation will factor in the remedial costs required as a result of the contamination assessment findings and other assumptions may be made which will be reflected in the valuation figure.
- 2.9 The best consideration purchase price to be agreed with CHIC will be based the valuation and subject to the contamination remedial costs. Depending on the findings and remedial recommendations they could impact the final purchase price.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

- Development of a brown field site that is currently vacant and overgrown.
- The development will regenerate the area around the Railway Station.
- Additional jobs will be created during the demolition and construction phases. This will also boost spending in the local economy.
- There is a provision within the S106 for funding to be provided for the benefit of Community services.

3.2 Helping people live healthy and independent lives

- The site is in a sustainable location close to the railway station, bus links and within walking distance of the town centre and all daily needs. Some of the potential purchasers may rely on public transport will benefit from additional housing being available in this location.
- The existing open green public space will be enhanced with additional trees and hedgerows being planted and the water body/reeds beds being retained within the redevelopment scheme, a pedestrian and cycle path will link the development to the open space.

3.3 Supporting and protecting vulnerable people

- N/A

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

The sales to CHIC are important in generating important revenue to support County Council services and have been built into the Council's budget plans.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

4.3 Statutory, Legal and Risk Implications

The following bullet point sets out details of significant implications identified by officers:

- Refer to the Disposal Process of Property Assets that was agreed at the Committee's meeting on 30th June this document sets out all the legal considerations for disposing of council land to the CHIC.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Communications Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

Both local members are supportive.

Councillor Count comments: "I support this application which has been modified from original proposals to make it much more of a quality and less dense development than originally submitted. The location will give direct access to the railway station for those wishing to walk so I believe it is likely to be occupied by families with low car usage."

Councillor French comments: "have no objections but I am aware that there has been repeated refusals by Fenland District Council planning committee and March Town Council have in the past objected to the application."

4.7 Public Health Implications

No comments received to date.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Chris Malyon
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes No implications raised. Name of Officer: Paul White
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes Reference made to the Disposal Process of Property Assets that was agreed at the Committee's meeting on 30th June Name of Legal Officer: Fiona Macmillan
Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: John Macmillan
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Christine Birchall Head of Communications and Information
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Name of Officer: John Macmillan Councillors Count & French
Have any Public Health implications been cleared by Public Health	No response yet received Name of Officer: Tessa Campbell

Source Documents	Location
Full Development Planning Proposal Layout	Appendix A

Proposed development layout plan

