

Report to: Executive

Date: 10 April 2007

Report of: Executive Member for Regeneration

Subject: Disposal of Land at Edenhill to East Durham Community Development Trust

Ward: Eden Hill

1.0 Purpose of Report

1.1 The purpose of the report is to seek approval to the disposal of a 0.4 acres site in Edenhill to East Durham Community Development Trust (EDCDT) at a price considered to be less than best consideration and to waive Council Standing Order (31).

2.0 Consultation

2.1 Comprehensive internal consultation has been undertaken to include;

Asset & Property Manager
Head of Regeneration and Partnerships
Head of Planning & Building Control
Directors of Finance and Regeneration and Development.
Portfolio Holders for Regeneration and Social Inclusion & Culture

External consultation has been undertaken with East Durham Local Strategic Partnership and East Durham Community Development Trust.

3.0 Background

3.1 The Community Development Trust has recently been established for the purpose of responding to the challenges laid out in a report commissioned by the Community Resource Fund Steering Group (Summer 2006) of East Durham Local Strategic Partnership. The reports author Professor Fred Robinson of the University of Durham examined the contemporary support structures for the voluntary and community sector (VCS) in East Durham. Professor Robinson expressed a view that was supported by the steering group that in East Durham development support for the sector was fragmented and not fit for purpose. It recommended that existing services provided by the Easington Council for Voluntary Service and the East Durham Community Empowerment Network should be combined in a new Trust to offer more sustainable support to the sector.

3.2 The new East Durham Trust is now established with companies house, is a registered charity and is officially launched on 29th March 2007.

3.3 The Trust is developing a business plan and has secured funding of £780,000 from East Durham Local Strategic Partnership to establish a district wide resource centre to act as a focal point for the VCS activity in the district and a secure, sustainable base for the operation of the Trust. The secured funding does not include a resource for land purchase. An additional £140,000 has been secured from the North Peterlee Neighbourhood Pathfinder and is conditional upon purchasing the land in Eden Hill.

- 3.4 After an extensive but unsuccessful search of the district for a suitable property to renovate it was agreed by the shadow board of the new Trust to consider a new build in an area of deprivation as close to the heart of a major population centre as possible.
- 3.5 A suitable site has been identified within the Edenhill area of Peterlee which is approximately 0.4 acres (1,496 square metres) and is currently open space. This land is in the ownership of the Council and meets the criteria mentioned above
- 3.6 The Trust has approached the Council requesting that they be allowed to purchase a 0.4 acre site to develop a purpose built Community Resource Centre in Edenhill (as edged red on the attached plan).
- 3.7 A scheme is being developed to secure for the new Trust an asset base in the form of a land holding on which they would establish a base of operation and a resource centre for the VCS in the whole of East Durham. The land holding would also provide an opportunity to accommodate any future community building for the Edenhill area of Peterlee
- 3.8 The resource centre will be sized 18m by 9 m and have a floor space of 307 metres squared over two floors. It will be completely accessible and compliant with the Disability Discrimination Act in every area. The upstairs of the building will have office space for the Trust staff and a meeting/training room and the lower floor will be lettable office/meeting/training space for VCS organisations.
- 3.9 The Trust consider that by constructing premises in the Edenhill ward this will act as a catalyst for Community Development and support for the project is being provided by the Council's Regeneration and Partnerships Team.
- 3.10 The proposed resource centre would also act as base of operations for the council led North Peterlee Neighbourhood Pathfinder.
- 3.11 The planning section has indicated that the proposed use for community offices is acceptable in principle subject to the relevant permissions being obtained.

4.0 Position Statement and Option Appraisal

- 4.1 Following a comprehensive assessment of all vacant Council owned land in the Edenhill area only the site under consideration was available.
- 4.2 The land is situated within a residential area and as such would be suitable for residential development. The Trust however are not in a position to pay residential development values and have requested that the Council consider a disposal at less than best consideration in accordance with the provisions of the Local Government Act 1972 General Disposal Consent (England) 2003.
- 4.3 The Councils Standing Orders (No 31) provide that disposals of land shall be subject to competitive open tender. Disposal by private treaty may be undertaken where, in the opinion of the Asset and Property Manager, and when in the opinion of Management Team it is in the Council's interest to do so provided a detailed record of the reasons why this course of action has been take and such transactions are reported to cabinet.
- 4.4 In accordance with the Local Government Act 1972, there is a general consent for local authorities to dispose of land or grant a lease in excess of 7 years for less than best consideration where the difference between the full market value and the actual consideration for the disposal does not exceed £2,000,000.

- 4.5 In accordance with the Council's agreed policy for determining requests in relation to the regulations consideration needs to be given to the following;

Description

- The site is located on Yoden Road within an area of local authority housing and is currently laid to grass and used as open space extending to some 0.4 acres or thereabouts.
- Following consultation with the Head of Planning & Building Control the land would be suitable for either the development of residential properties or the construction of a Community Resource Centre.
- It is considered by the Head of Asset & Property Management that the unrestricted value of the land for residential use would be £300,000. However, if the use were restricted to office/community use then the valued would be reduced to £100,000. The restricted use would be enforced through an overage agreement.
- The Trust have secured sufficient funding to purchase the site for £100,000 but are unable to raise additional capital to pay the open market value.
- It establishes an asset for the new Trust that will serve two purposes. Firstly it will remove the costs of leasing the existing buildings at an annual cost to the Trust of over £25,000 per annum. It will also create an asset to secure financial income from the lease of space to others VCS organisations.
- The building that is proposed for the land will partially secure the future of the trust and the nine staff it currently employs.
- The establishment of a single unified support sector for the VCS will greatly enhance the VCS in their ability to engage with communities and service providers and is in line with The eighth Guiding principle in chapter eight of the Local Government White Paper "Strong and Prosperous Communities".
- The proposed building will add to the regeneration Eden Hill Ward that contain two super output areas in the worst 3% nationally.
- It will provide an office base for the council operated neighborhood management activity in North Peterlee. This service has been unable to find suitable accommodation in the area of operation.
- The trust is a merger of two existing organisations both of which have long track records of financial management. The Trust is recruiting trustees from the widest possible base to ensure that the operations of the trust are as efficient as possible.
- The trust is developing its own Business plan incorporating the work of the CEN the CVS and the CRF action Plan. It is expected that this plan will be implemented in April 2007.
- The proposal will provide a base of operations for the councils North Peterlee Neighbourhood Pathfinder.

- The council will receive a receipt of £100,000 which is the non residential value of the land.
- The proposal will support the council priorities of "Building Healthy Communities" and facilitate the provision of "Quality services for our People".
- The proposal will add significant momentum and value to the regeneration of the Eden Hill Housing Hot spot
- The monitoring officer has been consulted and confirms that the request falls within the provisions of the Act

5.0 Implications

5.1 Financial

The Council will receive a capital receipt of £100,000 (one hundred thousand pounds) opposed to a potential receipt of £300,000 (three hundred thousand pounds)

5.2 Legal

The disposal can be agreed under the provisions of the Local Government Act 1972 General Disposal Consent (England) 2003

5.3 Policy

Waiving of Standing Order 31 which provide that disposals of land shall be subject to competitive open tender

5.4 Risk

A full risk assessment has been completed.

5.5 Communication

There are no communication implications at this stage of the process.

5.6 Corporate

The actions associated with the report comply with the Councils Corporate objectives to make the most of opportunities for investment, economic growth and employment and reduce inequality in the District.

5.7 Equality and Diversity

No direct implications.

5.8 E-Government

No direct implications.

5.9 Procurement

No direct implications.

6.0 Recommendations

6.1 Members agree to;

- Dispose of 0.4 acres of land at Edenhill to Community Development Trust for £100,000 in accordance with the provisions of the Local Government Act 1972 General Disposals Consent (England) 2003.
- Waive Council Standing Orders (No 31).

Background Papers/Documents referred to in the preparation of this report

- i. District of Easington Risk Assessment
- ii. Local Government Act 1972 General Disposal Consent (England) 2003
- iii. District of Easington Standing Orders