

Cabinet (Resources) Panel

22 March 2023
PUBLIC VERSION

Report title	One Public Estate - Asset Transformation Programme	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Bhupinder Gakhal City Assets and Housing	
Key decision	Yes	
In forward plan	Yes	
Wards affected	East Park and Bilston East	
Accountable Director	Mark Taylor, Deputy Chief Executive	
Originating service	City Assets	
Accountable employee	Julia Nock Tel Email	Deputy Director of Assets 01902 550316 Julia.nock@wolverhampton.gov.uk
Report to be/has been considered by	City Housing and Environment Leadership Team	21 February 2023
	City Assets Leadership Team	22 February 2023
	Strategic Executive Board	7 March 2023

Recommendations for decision:

The Cabinet recommends that Council approves:

1. The creation of a capital project budget for the One Public Estate – Asset Transformation Programme, funded through grants and prudential borrowing as detailed within the report, subject to confirmation of successful grant bids.

The Cabinet is recommended to approve:

1. The proposal to relocate Council services from various depot assets (as listed in this report) to a central location at Hickman Avenue Depot (North), improving service operation and efficiencies.
2. The site clearance and land remediation of the former Loxdale primary school, Stowheath day training centre and Stowheath Resource Centre (Stowheath) and the allocation for disposal with vacant possession for housing development, subject to outline planning consent. A further report is to follow in relation to approval of any development agreement.

3. Delegate authority to the Cabinet Member for Resources and Digital City and the Cabinet Member for City Assets and Housing, in consultation with the Director of Finance and Deputy Director of Assets to agree and enter into the required funding agreements, for the respective funding applications as detailed in the report.

Recommendation for noting:

The Cabinet (Resources) Panel is asked to:

1. Note the letter of support from MP Pat McFadden for the proposed scheme (see Appendix 1)

1.0 Purpose

- 1.1 The report discusses the proposals for a programme of works focussing on asset transformation by rationalisation and relocation of services to a single more suitable location, freeing up brownfield land to then provide over 200 new homes. The Council holds freehold ownership of the three sites proposed to form part of the programme of works, which include the Hickman Avenue Depot, the former Loxdale Primary School and the former Day Training Centre Stowheath site (See Appendix 2 - site location plans).
- 1.2 With the support of the West Midlands Combined Authority (WMCA), the One Public Estate initiative and multiple Council services, a proposal has been prepared to consider optimising Council assets with a collaborative approach and unlocking sites for housing developments. Council services have been looking for ways to synergise their operations and this coupled with the city's housing requirements has resulted in a wider asset transformation programme. This report identifies the findings and seeks approval to work towards, relocating services and unlocking much needed housing with public sector grant intervention to overcome viability issues exacerbated by ground contamination and redundant mine workings.
- 1.3 The project pre procurement estimated cost includes an allowance for inflation and contingency of 15%. The Council is seeking to attract grant funding to help reduce the requirement for any additional prudential borrowing. The paper seeks approval to progress the capital project but not until obtaining outline planning consent, securing grant funding, achieving cost certainty from market tenders and securing a development agreement. The latter would result in a succeeding report to approve any development agreement. These conditions will protect the Council by reducing the financial exposure and grant funding are secured, until which time the capital expenditure on the project will not commence.

2.0 Background

- 2.1 The Council has developed a Corporate plan "Our City: Our Plan", which sets out how it will deliver better outcomes for residents and businesses across Wolverhampton and is the corner stone of the transformational plans developed by the Council.
- 2.2 City Assets seek to support the plan by rationalising, optimising and consolidating assets to reduce operational costs, create efficiencies and unlock sites for housing development with key stakeholders. These activities are reflected in the Strategic Asset Plan which specifically discusses the proposals outlined in this paper.
- 2.3 The Council's Capital Strategy was approved by Full Council on 1 March 2023. This is underpinned by the strategic approach to align resources to Our City, Our Plan to ensure that the Council's resources continue to be aligned to the needs and priorities of local people.

- 2.4 Development of the former Loxdale Primary School and Stowheath sites (Appendix 2 - site location plans) have stalled for a number years due to a lack of financial resource to carryout feasibility studies to help understand the challenges, and capital funds required to relocate existing uses and remediation of land to offer the sites for development.
- 2.5 In the recent months, support from the Opportunity for Development Fund (ODF), which is part of the One Public Estate (OPE) initiative, has enabled us to develop proposals and undertake due diligence on how to bring forward the project and accelerate delivery. The work has allowed us to start de-risking the sites and understand the opportunities and challenges, to provide optimised facilities for Council services and develop new and much needed quality homes, with grant funding for abnormal costs. This early effort has also allowed us to challenge the viability issues by reviewing design quality, construction costs, build densities, tenure mix and sales values. As part of the sensitivity analysis, increasing the level of affordable housing above 25% resulted in an increased viability issue and was also viewed to affect the level of interest we would gain from the development market. However, the team have maintained the effort to provide the required level of good sized and quality affordable housing in accordance with national standards.
- 2.6 The project proposals have been developed considering four key criteria for the city and these are dependent on each other for their successful delivery and achievement of outputs and outcomes.

One - Rationalising, consolidating and optimising Council assets with a collaborative approach

- 2.7 As the public sector responds to the impact of COVID-19, Local Authorities are considering their role in economic recovery. The pandemic has also led the public sector to consider future models of service delivery, to make use of digital technology and flexible working across areas. Working in partnership will result in greater opportunities for collaboration through shared spaces, joined up services and released surplus assets – which in turn will promote lower carbon solutions and new economic activity.
- 2.8 The One Public Estate (OPE) initiative is an established national programme delivered in partnership by the Office of Government Property (OGP) within the Cabinet Office and the Local Government Association (LGA). It seeks Councils to deliver ambitious property-focused programmes in collaboration with central government and other public sector partners rationalising, consolidating and optimising its services to get more from collective assets. Our involvement as member of the OPE partnership board, along with support from the West Midlands Combined Authority (WMCA) has meant we have set the pace in the region with early project delivery including;
- OPE 8: Brewers Yard with the relocation of services and business at the wholesale market site

- OPE 9: Oxley Health & Wellbeing Facility and new homes with the development of a fit for purpose health facility and self & custom build homes

- 2.9 Public sector collaboration with health partners relocating work space to Council buildings e.g. establishing NHS headquarters within the Civic Centre City Assets have developed a Strategic Asset Plan (SAP) that was completed and approved by Cabinet on 17 October 2018. This provides the structure and management of the Council's land and property portfolio over following five years, to 2023, and incorporates the Our Assets principle. The plan is structured into three parts:
- 2.10 The Asset Management Policy within the SAP establishes a clear mission with supporting principles for the management of land and buildings. Ensuring they are fit for purpose and benefit the people of the City of Wolverhampton with rationalisation and disposal of land and buildings, that will enable a financial return to stimulate development and growth, support and encourage local businesses and promote joint-working. It is strongly viewed the OPE initiative is a means to delivering the SAP objectives and outcomes and a golden thread between numerous public sector initiatives and grant funding bodies to realising a physical and social change for betterment.

Two - Supporting Willenhall Rd improvements and the East Park Gateway programme

- 2.11 The improvement of A454 Willenhall Road has been identified as a priority for the City of Wolverhampton and part of the highway works its way through the East Park Gateway programme. A significant proportion of the area is low quality under used industrial land, where new investment is hampered by a poor environment and constrained access to the main road network. As a main arterial route into the city centre from the motorway, the current frontages to Willenhall Road require improving as this is a key entrance into the city.
- 2.12 These works are designed to improve traffic flow and ease congestion on the Willenhall Road corridor and facilitate access improvements to the Hickman Avenue depot, which will become a frontage scheme to the highway, eventually. The proposed design considers future highway improvements and the building layout has been carried out in consultation with the Highways team to consider future proofing of the scheme and work seamlessly with the highway proposals.

Three - Key worker housing and affordable living

- 2.13 Around 30,000 people live in the East Park and Bilston East wards of Wolverhampton, which covers the sites included in this report. According to the city deprivation ranking in the 'Wolverhampton Health Inequalities Strategy 2021-2023', Bilston East and East Park wards are ranked first and third respectively, as the City's most deprived zones.

- 2.14 The city as a whole has the need to increase housing supply and has an ambition to make way for key worker housing and affordable living. Through the Strategic Economic Plan (2016), Housing Deal (2018), the emerging West Midlands Industrial Strategy (2019), the Housing and Land Portfolio Business Plan (2020-2021) and the Recharge for the West Midlands (2020), there is great commitment to delivering new homes by 2031.
- 2.15 The Wolverhampton Housing Strategy 2019-2024 seeks to deliver more and better homes, safe and healthy and access to secure homes. In doing so it aligns with the Economic Growth Strategy and seeks to retain and attract economically active people to live and work in our city. The strategy has identified groups to ensure good quality homes in the city at a price they can afford for; first time buyers and second stage movers, households who want to rent, people who need affordable homes, homes for new communities and housing for graduates.

Four - Brownfield first approach

- 2.16 There are a number of brownfield and redundant sites whose undeveloped nature damages perception of the city, however, they also represent an opportunity to deliver housing and taking a brownfield first approach. Of course, the challenges to remediate land by improving soil conditions and making redundant mine workings safe to build over continues to be a challenge as regulations increase. The requirement to seek approval from The Coal Authority and compliance with policies for building over or within the influencing distance of a Mine Entry are very strict.
- 2.17 However, it is imperative that brownfield site clearance and unlocking of sites is a key focus and the importance of vibrancy is considered in residential deliverability. This will help appeal to a broad range of occupiers considering a future in the city, coupled with the increasing flight to quality demanded of both public and private open space. This would enable delivery of attractive and joined up placemaking opportunities and ultimately encourage a substantial increase in transactional and rental values across the city.
- 2.18 Furthermore, the Wolverhampton Strategic Housing Land Availability Assessment (SHLAA) published in 2021 provided details the need to boost the supply of housing and bring brownfield land into residential use.

3.0 Project progress and proposals

- 3.1 To progress the early stages of the project and understand the challenges and opportunities, activities have been undertaken to help develop a way forward and reach a position where alternative options can also be presented for discussion (see section 4.0). Specific progress has been made within the last 12 months with:
1. Preparation of initial development appraisals, taking account of land value and new build construction costs with consideration of rising inflation.
 2. Due diligence on the sites to identify any constraints and site abnormalities.

3. Development of a 'Delivery Plan' defining the strategy for the management of the project and the procedures for its successful completion and implementation.
4. Collaborative working with stakeholders and the project team representing CWC end users including Street Lighting, Cleaning and Catering, Stowheath Kitchens, Meals on Wheels, Taxi Licensing, Wolverhampton Homes, Facilities Management, Health and Safety, Highways and the Housing Team to develop site layouts and floor plans for the Asset Transformation Programme.
5. Submission of grant applications for support towards the project.
6. Pre application consultations have been successful with the Local Planning Authority and subsequent to this a planning application has been submitted

3.2 The scheme involves the Council seeking to obtain outline planning consent for the proposed uses as detailed below and then follow with a procurement process to deliver the works;

- Hickman Avenue Depot (North) – Construction of light industrial units for meals on wheels, street lighting, catering & cleaning, Stowheath kitchens. Open space for a salt barn and parking for Wolverhampton homes and Taxi licensing. The site will be enabled with ducting for EV infrastructure installation in the future. Alteration to existing offices to allow for a change in access arrangements.

A future project to relocate the Crown Street Waste Transfer Station is currently under consideration for positioning to the Southern area of Depot. If the project proves viable following consultation then a further paper will be presented to pursue this proposal.

- Loxdale development – Relocation of Taxi licensing upon completion of Hickman Avenue depot light industrial units, demolition of existing buildings, land remediation and diversion of utilities. Selection of a development partner.
- Stowheath development – Relocation of Stowheath kitchen units upon completion of Hickman Avenue depot light industrial units, demolition of existing buildings, land remediation, diversion of utilities and improvements to Hickman Avenue. Selection of a development partner.

3.3 The proposal is a locally led programme, bringing multiple public sector partners together, to;

- help reduce Council service running costs, surrender leases and relocation of services to a new facility.
- assist with rationalisation, consolidation and modernisation of assets and promote sharing of facilities with public sector partners. The salt barn is a prime opportunity ensuring neighbouring authorities do not all create excessive stock piles which deteriorate in quality and effectiveness over time. This would also offer an income generation opportunity.

- Develop a net zero carbon project, with focus on energy reduction and use of renewable energy sources
- Utilise Modern Methods of Construction (MMC) and provide new homes.
- Create an estimated 620 construction jobs, six apprenticeships, help upskill the work force with Health and Safety training and vocational qualifications, deliver local economic growth, offer social value.
- release capital value with re-development.
- and really help with levelling up for much needed services in East Park and Bilston East wards and support the economic recovery.

3.4 The project will also play a key role towards the city's recovery from the COVID-19 impact in years to come and act as an opportunity to reduce the Council's Carbon footprint and provide key worker housing and will directly link to the Council's Our City: Our Plan. Giving the opportunity to;

- Create good homes in well-connected neighbourhoods
- Help more local people into good jobs and training
- And create a thriving economy in all parts of the city

3.5 The proposals are also consistent with, and complement, the 'New Horizons - Our Vision for the City of Wolverhampton in 2030' – a strategic blueprint commissioned by the Council and developed in close collaboration with key partners.

3.6 The four key criteria would be achieved as set out below:

One - Rationalising, consolidating and optimising Council assets with a collaborative approach

The proposal to relocate uses from the former Loxdale primary school and Stowheath day training centre site to Hickman Avenue Depot supports the policy as outlined in the SAP and in particular delivery of items A2, A3, A4, A6, C1 and C6 of the Action Plan. With action 'C6' specifically making reference to proposals as outlined in this paper.

Consultation with a selected number of the Council service teams identified that there are services operating from Council assets in standalone and/or remote facilities. The geographical location and condition of the asset is having a negative impact on service delivery and/or loss in opportunity to increase efficiencies. Table 1 below summarises the findings and benefits the Asset Transformation Programme could achieve if the services were placed in a central location. These findings are strongly supported by the Councils City Assets team and the Strategic Asset Plan 2018-2023.

Table 1 – Service Integration benefits at Hickman Avenue Depot

Service	Current Challenge	Centralised location benefits
Taxi Licensing	Facility in residential area	Access to taxi vehicles from main highway. Suitable office space for staff.
Stowheath Kitchens	Kitchens not fit for purpose and outdated	New modern layout and located adjacent to catering stores and meals on wheels. Offers flexibility to Council for catering across the city as and when required.
Meals on Wheels	Facility to be demolished for housing project	Location near main highway. Gives flexibility to future provision of meals cooked from new kitchens at the same location
Wolverhampton Homes Car Park	Car park not fit for purpose with no strict layout or parking surface	New layout improves parking efficiency and capacity to store waste, and enable future EV installation
Catering and Cleaning	Facility to be demolished for new wholesale markets and fleet services depot	New location adjacent to proposed kitchens. Moved away from busy wholesale market trading environment.
Street Lighting & asset management		New location closer to Qualcast road depot and main highway. Fit for purpose facility and asset team centrally located
Salt Barn		

Two - Co-ordinated proposals with Willenhall Rd improvements and the East Park Gateway programme

- 3.7 The design development has taken into consideration the proposals for Willenhall Road improvements and the East Park Gateway programme, the latter which sets out intentions for development of the area and its enhancement with Council services at the Hickman Avenue depot. The design layout at the Hickman Avenue depot (North) gives priority to the highway improvements and ensures our proposals can be delivered independently and are co-ordinated so as to not blight any land between the two schemes. Furthermore, the positioning of structures allows for expansion of our site for car parking northwards if land beyond St Mathews Street becomes available in the future.

Three - Key worker housing and affordable living

- 3.8 The early design for the residential schemes at the Loxdale and Stowheath sites has been developed to allow for over 200 new homes across both sites including 25% affordable housing. The project design has focused on construction efficiencies along

with form and function and encouraged the layouts to benefit from Modern Methods of Construction and design layouts that benefit occupiers including disabled users, key workers and affordable housing with compliance to national space standards.

Four - Brownfield first approach

- 3.9 The Council is preparing a Wolverhampton Local Plan to replace the Black Country Core Strategy. This Plan will need to maintain high housing delivery rates up to 2041 to address the very high housing need figures set by the Government. Recently, the Council has come under public pressure to resist releasing green belt and greenfield sites for development. Unlocking brownfield land in the urban area for housing, such as the Stowheath and Loxdale sites, is a great example.
- 3.10 The site proposals will be submitted to the Local Government Association (LGA) and WMCA as part of a grant funding bid for abnormal costs to support site levelling, land remediation, utilities diversions, service upgrades and for renewable energy considerations.

Scheme financial viability

- 3.11 An outline construction cost plan for the development has been prepared by the Councils Cost Consultants and includes 15% for contingency and inflation. Current Building Cost Information Service (BCIS) forecasts show that inflation in the coming year shall fall and 15% is deemed reasonable. An outline viability appraisal for both the Loxdale and Stowheath sites identified a financial gap, which means that the value of the development upon completion would be less than the estimated capital expenditure required, considering the abnormal costs. As such grant funding and public intervention is required to ensure the project is viable for the private sector to invest. Should the project costs increase where the contract is tendered there is a possibility that this grant may be increased to reflect the larger viability gap, however if this is the case this will be brought forward in a further report.
- 3.12 At the time of preparing the paper, discussions with all grant funding stakeholders identified within the paper have been positive and encouragement has been received based on the progress made in tabling a deliverable programme. Each grant funding body has stipulated particular funding criteria and the proposals ensure these requirements are met in all instances, subject to certain conditions some of which are outlined in this paper (refer to section 3.16). Future opportunities to approach new funding initiatives shall be pursued in particular for energy related grants and other areas to minimise the Councils prudential borrowing.
- 3.13 The forecast capital receipts from the two sites at Loxdale and Stowheath are not currently assumed in the capital programme, and are therefore proposed to be used as match funding towards this project.

- 3.14 To maintain a strong and disciplined control on project costs and programme, in addition to the provision of internal resources an external team of professional consultants will be appointed to lead the project after obtaining planning consent and for monitoring purposes. This will offer assurance during the development stages of the project and robust contract management during the delivery stage.

Delivery Timescales

- 3.15 The following are key milestones to help understand the roadmap to delivering the overall project based on the preferred option evaluated in section 4.0. The critical path requires the construction of buildings at Hickman Avenue Depot (North) before uses at Stowheath and Loxdale can be relocated. However, remediation works at Loxdale and Stowheath can commence without the relocation activity as these works are to be carried out away from the occupied buildings. Note: These works do not impact any sequencing of works along Willenhall Road.

Activity	Hickman Avenue Depot (North)	Stowheath Residential scheme	Loxdale Residential scheme
Cabinet Approval	Q1 2023		
Planning consent approval	Q3 2023	Q3 2023	
Release of Tenders	Q4 2023	Q2 2023	Q2 2023
Start remediation works		Q1 2024	Q1 2024
Remediation completion		Q3 2024	Q3 2024
Start Construction works	Q1 2024		
Construction completion	Q3 2024		
Development agreement		Q4 2023	
Housing starts on site		Q4 2024	
Housing completions		Q2 2026	

Proposal Conditions and Consideration

- 3.16 To reduce the financial risk to the Council and funders, the following milestones are proposed as conditions, prior to any construction contract award and capital expenditure:
1. Outline planning consent is obtained for the three sites
 2. Agreement with The Coal Authority in relation to building over or within the influencing distance of mine entries
 3. Completion of ground investigations
 4. Grant funding is secured for on-site works
 5. Cost certainty is achieved with market tendering for the construction and remediation works
- 3.17 The following are advantages and disadvantages identified to understand the benefits, challenges, risks and likely issues, for the preferred option.

Advantages

- Relocation of existing uses to a location that is operationally more suitable and allow improve efficiency between services
- New fit for purpose and modernised facilities, future proofed
- Progress of 'East Park Gateway Regeneration Programme' (see reference section 10.0) and the Willenhall Road improvements that link to Hickman Avenue Depot.
- Provision of new much needed quality homes in Stowheath and Loxdale that are affordable, suitable for key workers and supports the Wolverhampton Housing Strategy 2019 - 2024
- Brownfield land remediation
- A new homes project on Brownfield land which attracts grant funding to support abnormal costs
- Opportunity to raise S106 contributions for Public Open Space
- Prevents an alternative use being proposed over a much-needed housing scheme by a 3rd party
- Development of strategic sites being accelerated
- Improvements to local highway infrastructure
- Implementation of the Council SAP and delivery of items A2, A3, A4, A6, C1 and C6 of the Action Plan

Disadvantages

- Some Council capital investment required to fund project.
- Increased activity to the Hickman Avenue depot
- Minor disruption to Council services during construction stages and upon relocating to new Hickman Avenue Depot

4.0 Evaluation of alternative options

- 4.1 In addition to the preferred proposal there are alternative options which were explored to find beneficial use of the sites and opportunities to unlock Council assets. Whilst evaluating the options and determining the preferred option, it was imperative to ensure good value for money, maximising outputs from the assets, synergising with Council services, job creation, remediation of brownfield land and addressing community needs with the provision of new homes.

- 4.2 **Option 1: Do Nothing** – This option would result in multiple Council services continuing to operate from Loxdale and Stowheath sites and Hickman Avenue Depot (North) remaining vacant.

Advantages

- The three sites remain as underutilised assets increasing in value overtime

Disadvantages

- Building improvement costs would be required to bring the asset up to full standard. This is not assumed in the approved capital programme.
- The opportunity to meet much needed housing demand within the highly ranked deprived zones of East Park and Bilston East is deferred indefinitely.
- Ongoing non-recoverable costs with site security, insurance, fly tipping clearance and grounds and building maintenance.
- Failure to capitalise on brownfield land regeneration opportunities and/or attract grant funding
- Council services continue operating from facilities/locations that are negatively impacting service delivery and/or not maximising on opportunities for synergy.
- Fragmented service provision continues across a range of buildings
- The Council would not be able to progress activities towards de-carbonising assets as part of the Council's 2028 net zero target.
- Could be perceived as a lack of activity by the Council.
- No new homes developed on brownfield land
- Return of any secured funding

- 4.3 **Option 2: Freehold disposal of the assets** – This option would result in the assets being auctioned to the highest bidder.

Advantages

- Any existing liabilities such as anti-social behaviour and non-recoverable expenditure would transfer to the new proprietor.
- The sale of the sites would generate income for the Council

Disadvantages

- No control on the type of developments, quality or use or timing, other than those permitted under planning policy

- It is likely the need to maximise Stowheath and Loxdale sites for housing may not be fulfilled considering the extent of abnormal costs
- The growing need for brownfield land re-development and provision of housing would remain with the Council.

4.4 Option 3: Sourcing an alternative site and/or buildings to relocate Council services in lieu of Hickman Avenue depot (North) – This option would require purchasing a site in a suitable location that could accommodate all the Council services as part the Asset Transformation Programme and achieve the desired outcomes.

Advantages

- Result in an accelerated programme if the alternative site was sized and configured as required between Council services.

Disadvantages

- Ongoing lease costs if a suitable freehold site is not available
- Hickman Ave Depot (North) is left redundant

5.0 Reasons for decision

5.1 Based on the proposal and alternative options, the recommendation for Cabinet (Resources) Panel is to pursue the proposal as outlined in section 3.0, which would result in the optimisation of Hickman Avenue Depot to accommodate multiple Council services allowing them to work better together. It will also boost the supply of new homes by bringing brownfield sites into residential use. Without public intervention, provision of land and funding the opportunity to remediate the land and develop prominent sites is unlikely to progress and will continue to be stalled. The advantages and disadvantages of the alternative options considered are detailed above. Option 1 is difficult to pursue and can be seen as ‘lack of activity’ by the Council. Option 2 is not advised as the key requirements mentioned in section 2.0 will not result in the necessary outputs and outcomes being achieved. Finally, option 3 is not suitable as it would result in the North section of Hickman Avenue Depot becoming redundant and not being utilised as an opportunity, which is currently under freehold ownership by the Council.

6.0 Financial implications

6.1 As detailed within the exempt report.
[RJ/14032023/Q]

7.0 Legal implications

7.1 Subject to the recommendations being approved, the Council propose to secure grant funding to relocate existing services, remediate the land, deliver new homes and construct light industrials units at the respective sites followed by procuring a

development partner to. As such, the Council will need to ensure that it complies with its Constitution and Procurement Regulations and its statutory powers in the public interest and for the purpose of which those powers have been conferred.

- 7.2 The Council will need to undertake a procurement exercise for the proposed development and associated goods, works and services. It will need to adhere to its Contracts and Procedure Rules and the law relating to Subsidy Control.
- 7.3 In relation to the Council's assets the Council will need to comply with its Constitution and Section 123 of the Local Government Act 1972 in relation to the proposed disposals in the of leases. Section 123(1) of the Local Government Act 1972 states that a council may dispose of land held by them in any manner they wish. This includes granting leases as proposed in the report. In Section 123 (2) of the Local Government Act 1972, except with the consent of the Secretary of State, a Council shall not dispose of land, otherwise by way of a short tenancy, for a consideration less than the best that can reasonably be obtained.
- 7.4 Under the Local Government Act 1972, the Secretary of State can issue a General Disposal Consent covering particular types of cases. For instance, a local authority may consider disposals at a reduced consideration if the purposes for which the land is to be disposed of is likely to contribute to the promotion or improvement of the economic, social, or environmental well-being of its area.
- 7.5 The Council must be aware of the rules relating to Subsidy Control as disposing of land at an undervalue could confer a benefit and therefore stand alone and unequivocal legal advice is required in respect of this proposal. The advice has therefore been sought and obtained from an external law firm. The Council must ensure it considers Subsidy Control rules, where applicable, when dealing with grant funding monies.
- 7.6 The Council's Legal Services will provide legal advice throughout the progression of the matter in relation to the various legal agreements, which include the leases, funding agreements, contracts, and other ancillary agreements.
[ABM/02032023/Z]

8.0 Equalities implications

- 8.1 An equalities analysis has established that this project is relevant to the Council's duty to advancing equality of opportunity. The Senior Equality Diversity and Inclusion Officer has been satisfactorily consulted on this matter and no implications have been highlighted whilst jointly reviewing the Equality Analysis Form.

9.0 All other implications

- 9.1 The Health & Safety team have been consulted on the temporary relocations and at this stage there are no concerns. As the project develops the team shall be involved throughout the process.

- 9.2 The selection of the Developer and award of the professional team and construction works will be fully tendered compliant with the Council's and public procurement rules and policies. A clear procurement and contract strategy are to be developed as part of the project in consultation with the Councils procurement team.

10.0 Schedule of background papers

- 10.1 [East Park Gateway Regeneration Programme](#) - Cabinet (Resources) Panel, 16 January 2018.
- 10.2 City of Wolverhampton Council - Strategic Asset Plan 2018-2023

11.0 Appendices

- 11.1 Appendix 1: MP letter of support
- 11.2 Appendix 2: Site Plans