

# **BUSINESS SUPPORT OVERVIEW AND SCRUTINY COMMITTEE**

**4 JUNE 2007**

## **CALL IN – DISPOSAL OF LAND AND VARIATION/RELEASE OF RESTRICTIVE COVENANT**

Director: Neil Davies, Chief Executive

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### **1 Purpose of item**

- 1.1 In accordance with chapter 4, part 5, paragraph 16.3 of the constitution with regard to decisions, the Cabinet decision 59/2007 has been called in to this Committee by six members of the Labour Group.

On the call in request the reason for call in was stated as being:

Ward Councillors believe the house should be retained for housing.

### **2 Recommendation**

- 2.1 Members are asked to consider decision 59/2007 made by Cabinet on 13 March 2007 as outlined in 3 below.

### **3 Cabinet decision – disposal of land and variation – 39 Northbourne Road, Gillingham**

- 3.1. On 13 March 2007 the Cabinet considered a report relating to the proposal to declare 39 Northbourne Road, Gillingham as surplus to requirements. A copy is attached at Appendix A. The report also discussed the release/variation of a restrictive covenant of a site at Laburnum Road, Strood under the same heading.
- 3.2. Councillor Harriott attended the meeting and addressed the Cabinet on this item. He spoke in support of retaining the property at Northbourne Road, Gillingham for housing.
- 3.3. The Cabinet made the following decision:

## **Decision**

**Number:**            **Decision:**

59/2007    The Cabinet agreed that 39 Northbourne Road, Gillingham and the land to the rear of Northbourne Road, shown respectively edged black and hatched black on the plan attached to the report, are declared surplus and that the Chief Finance Officer be given delegated authority to agree the terms of such disposal at best consideration.

## **Reasons:**

The disposal of this house and land will contribute towards the Council's capital receipt target of £4m per annum and reduce revenue costs.

### **4.            Chief Executive's comments**

- 4.1.    The property was held by social services section within the community services directorate. This section no longer has an operational requirement for the property and nor do any other sections of the council.
- 4.2.    If the property were to be used by the council for housing, it would need to be appropriated in accordance with the Housing Act 1985, from the general fund to the Housing Revenue Account. The appropriation would have to be agreed by cabinet and would be at open market value. The HRA has not got adequate funding to pay for the appropriation.
- 4.3    Consequently it is the view of officer's that the property is surplus to the council's requirements and should be sold at best consideration with the proceeds contributing towards the council's annual capital receipts target for 2007/08.

### **5.            Legal and financial implications**

- 5.1.    The Council is under a duty to obtain best consideration when it disposes of property assets as provided for by section 123 Local Government Act 1972 unless Secretary of State approval is obtained or a General Consent is utilised to sell at under value.
- 5.2.    Full Council on 1 March approved the capital programme for 2007/2008 which incorporated a programme of pavement repairs across Medway amounting to £200,000. Members resolved that this programme would be dependent on the sale of 39 Northbourne Road.

## **Background documents**

Report to Cabinet 13 March 2007

## **Contact for further details:**

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