

CABINET

11 MARCH 2008

VARIOUS PROPERTY DISPOSALS

Portfolio Holder: Councillor Alan Jarrett, Finance
Report from: Neil Davies, Chief Executive
Author: Noel Filmer, Senior Manager - Valuation and Asset Management

Summary

This report requests that cabinet declares various properties surplus, so that they can be disposed of for best consideration.

1. Budget and Policy Framework

- 1.1. As the value of each asset is likely to be above £100,000, but below £1,000,000, this is a matter for Cabinet.

2. Background

- 2.1 The Council owns in excess of 1,000 property assets and, next to staff, property is the Council's largest single cost. Effective management is therefore essential, if the Council is to fulfill its core objectives and provide good quality, value for money services. On 4 April 2006, Cabinet approved the Corporate Property Strategy, which provides corporate guidance to assist in the effective management of the Council's property assets over the next five years and beyond.
- 2.2 To ensure that the Council's property assets contribute to the Community Plan objectives, and to help to develop Medway as a city of learning, culture, tourism and enterprise, all properties are considered in the context of rationalisation.
- 2.3 This report brings forward proposals to dispose of properties, which are considered to be surplus to requirements.

3. Disposal of Property Assets

3.1. Robin Hood lane Car park, Walderslade

3.1.1 The Council owns the freehold of the above free car park as edged black on the attached plan. The car park has an area of approximately 0.05 Hectare (0.15 acre) and it is felt that it is suitable for residential development. If the site is declared surplus, arrangements will be made to remove or re-site the Automatic Public Convenience (APC) and the recycling facilities, which are currently on site. There is a privately owned car park which provides ample free parking at the Walderslade village centre, this parking is much closer to the shops and amenities than the Council's car park in Robin Hood lane.

3.2 Land at Railway Street, Gillingham

3.2.1 The Council owns the freehold of the above pay and display car park as edged black and hatched black on the attached plan. Following a marketing exercise a number of offers were received for the area edged black. A community-based organisation was the highest bidder and should the land be declared surplus, officers would be in a position to finalise the negotiations. This area accommodates 120 car parking spaces and the net income is around £27,720 pa. The retained area hatched black contains 70 car parking spaces, so there will still be a large pay and display car park available at the site.

3.3 Jezreels Tower site, Gillingham

3.3.1 The Council owns the freehold of the above site. The site has an area of approximately 0.28 Hectares (0.69 acres). Part of the site is used as a compound for residents parking (16 bays) and the rest is derelict. The gross income from the resident's parking bays is £1,120pa. It is felt that subject to the 16 bays being retained somewhere within the site, the site can be declared surplus and disposed of. It is felt that the site is suitable for residential/mixed use development.

3.4 King Street Car Park, Rochester

3.4.1 The Council owns the freehold of the above pay and display car park as edged black on the attached plan. The car park has an area of approximately 0.16Hectare (0.389 acres). The gross income for the site is £7,562pa. It is felt that the site is suitable for residential development. A recent survey of the usage of the car park showed that it is extremely under-used. In addition to this there is another pay and display car park is available at nearby Union Street.

3.5 Land at the Broadway, Gillingham

3.5.1 The Council owns the freehold of the above site as edged black on the attached plan. The site is allocated in the Local Plan for new housing and has an area of approximately 0.70 hectares (1.73 acres). It is

considered that the site is suitable for residential development subject to the provision of a suitable access into the site.

4. Options

- 4.1 These property assets can either be retained or sold. If they are retained, in most cases the income is outweighed by ongoing management and maintenance costs. If they are sold, capital receipts will be obtained, which the Council can use towards funding service priorities.

5. Advice and analysis

- 5.1. The disposal of these properties would eliminate management costs currently incurred and would bring in capital receipts to be used to help fund service priorities. The disposal of these sites will also hopefully result in further regeneration of the Medway area and provide much needed additional housing.

6. Consultation

- 6.1. Consultation has taken place with the Regeneration and Development directorate and the relevant Portfolio Holder and no objections to these disposals have been received.

7. Financial and legal implications

- 7.1 Apart from the sale of part of the Railway Street car park, the net revenue income lost from these disposals will be marginal. In all cases the income, which is lost, as a result of the disposals, would be compensated for by the financial returns that the Council can generate by investing the capital receipts.
- 7.2 The Council has a duty under s123 of the Local Government Act 1972 to obtain best consideration, when it disposes of property, unless consent is obtained from the Secretary of State or one of the general consents applies.

8. Recommendations

- 8.1 It is recommended that the Robin Hood lane Car park, Walderslade be declared surplus to enable the Assistant Director, Corporate Services, to dispose of it at best consideration using delegated powers.
- 8.2 It is recommended that Cabinet delegate authority to the Director of Regeneration and Development to declare surplus the car parking land at Railway Street, Gillingham as edged black on the attached plan, so that if and when it is declared surplus, the Assistant Director, Corporate Services, in consultation with the Portfolio Holder for Finance, can dispose of it at best consideration using delegated powers.

- 8.3 It is recommended that the Jezreels Tower site in Gillingham, be declared surplus to enable the Assistant Director, Corporate Services, to dispose of it at best consideration using delegated powers.
- 8.4 It is recommended that the King Street Car park, Rochester be declared surplus to enable the Assistant Director, Corporate Services, to dispose of it at best consideration using delegated powers.
- 8.5 It is recommended that the Land at the Broadway, Gillingham, be declared surplus to enable the Assistant Director, Corporate Services, to dispose of it at best consideration using delegated powers.

9. Suggested reasons for decision(s)

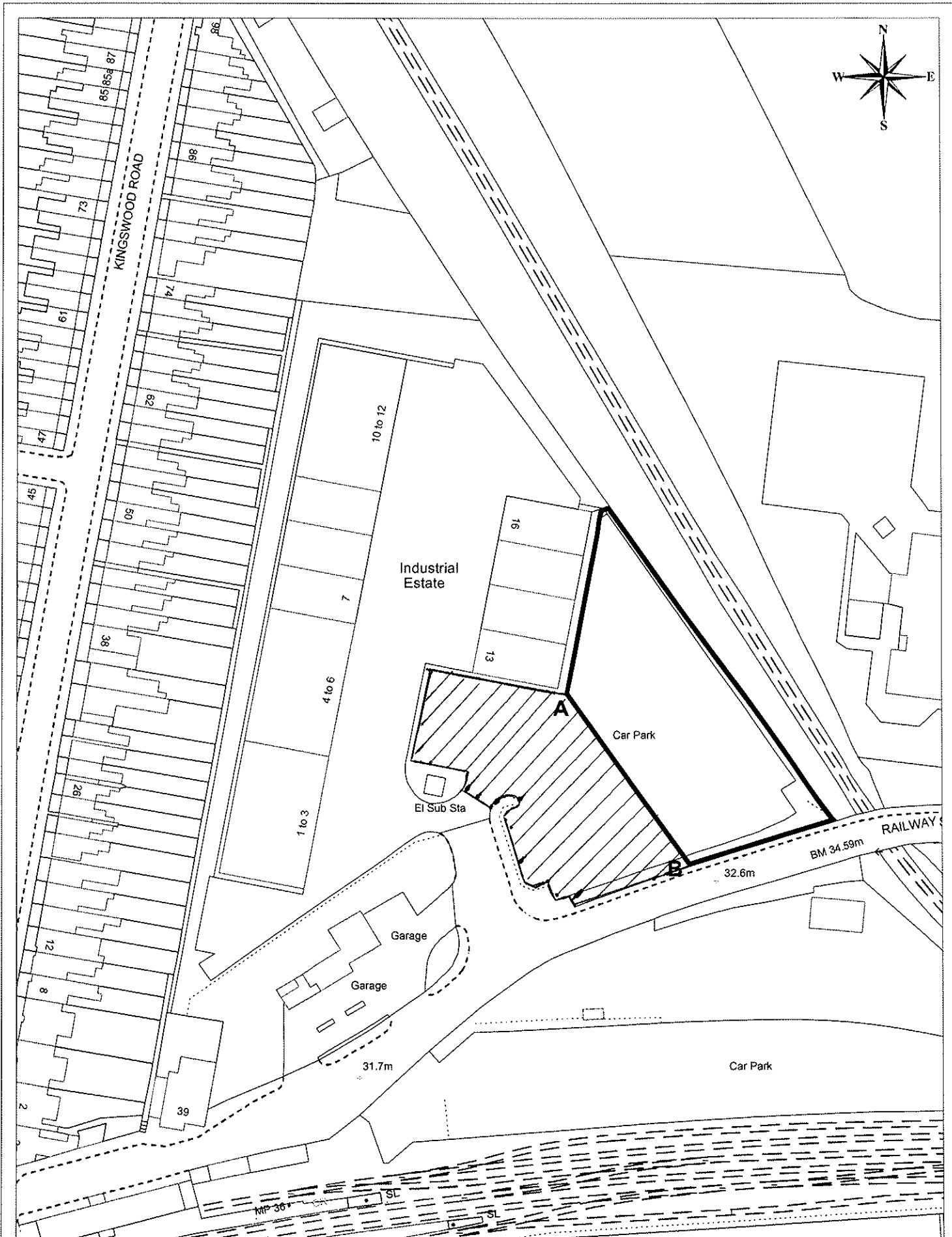
- 9.1 Cabinet is requested to declare the properties surplus in order to reduce revenue costs, realise capital receipts and gain much needed housing and regeneration for the Medway area.

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Background Papers:

Corporate Property Strategy, approved by Cabinet on 4 April 2006.



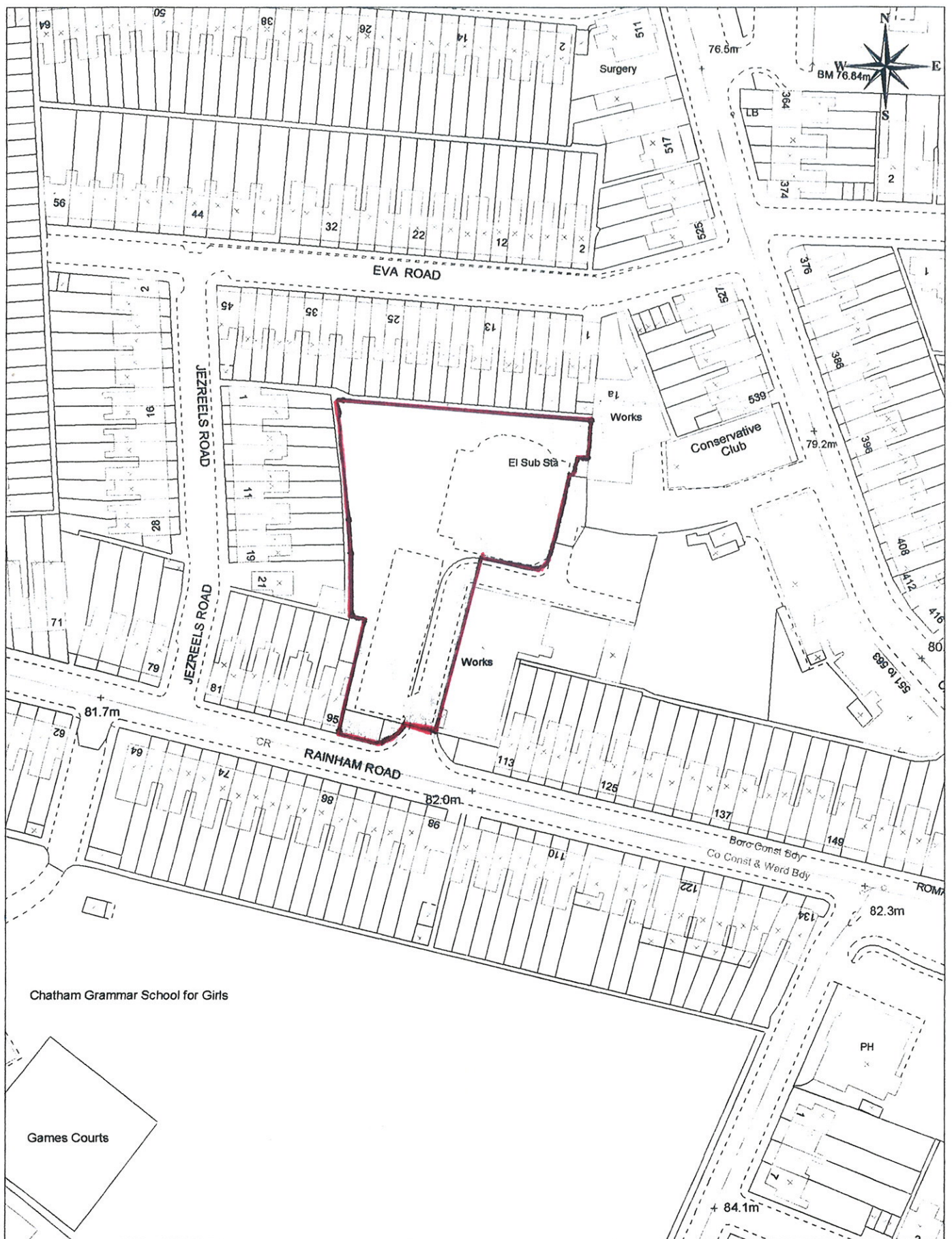
Land Railway Street, Gillingham, Kent



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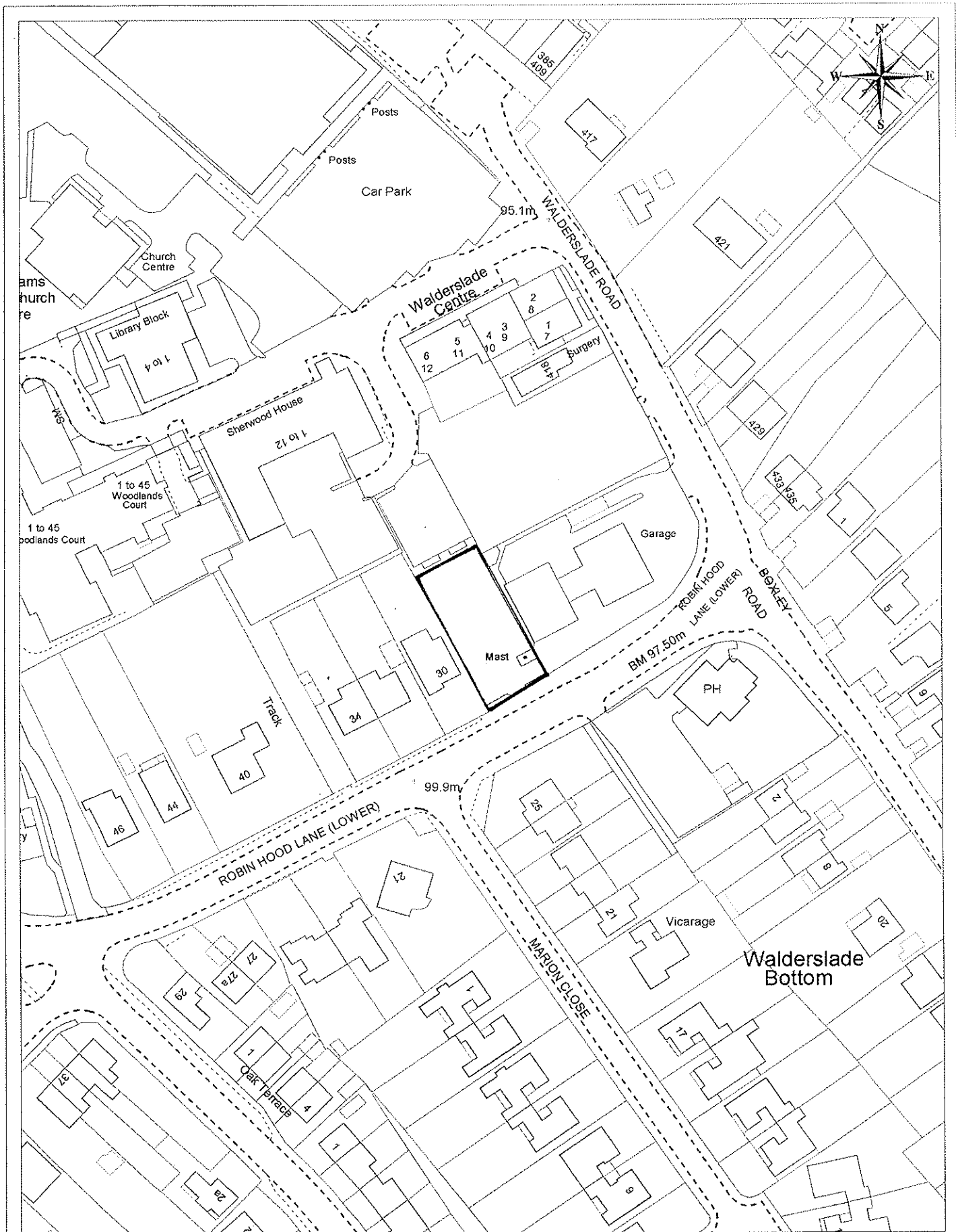


**Land at Jezreels Tower Site
Rainham Road
Gillingham**



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A00340 - Robin Hood Lane Car Park

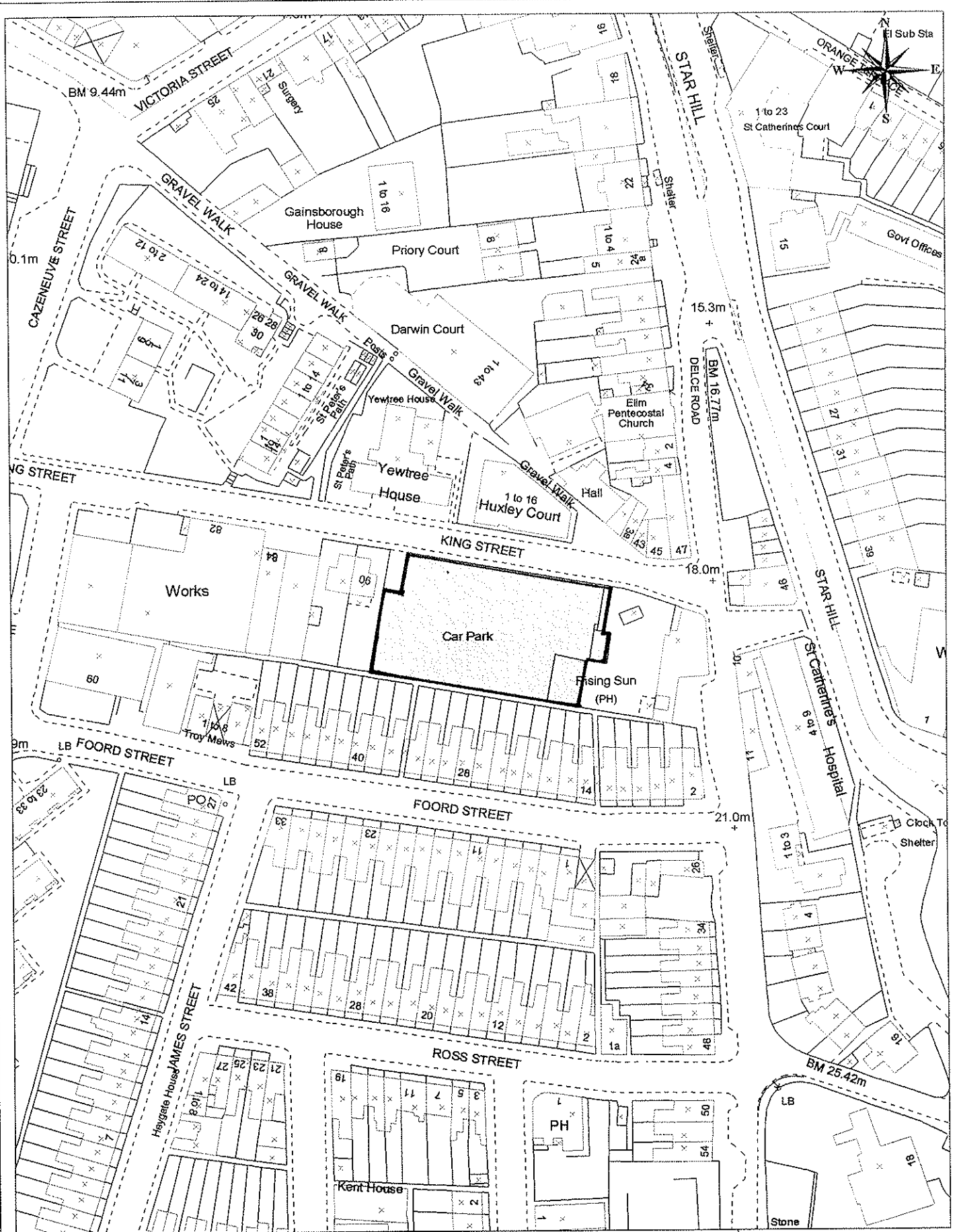
Area = 632 m²

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A00301 - King Street Car Park, Rochester

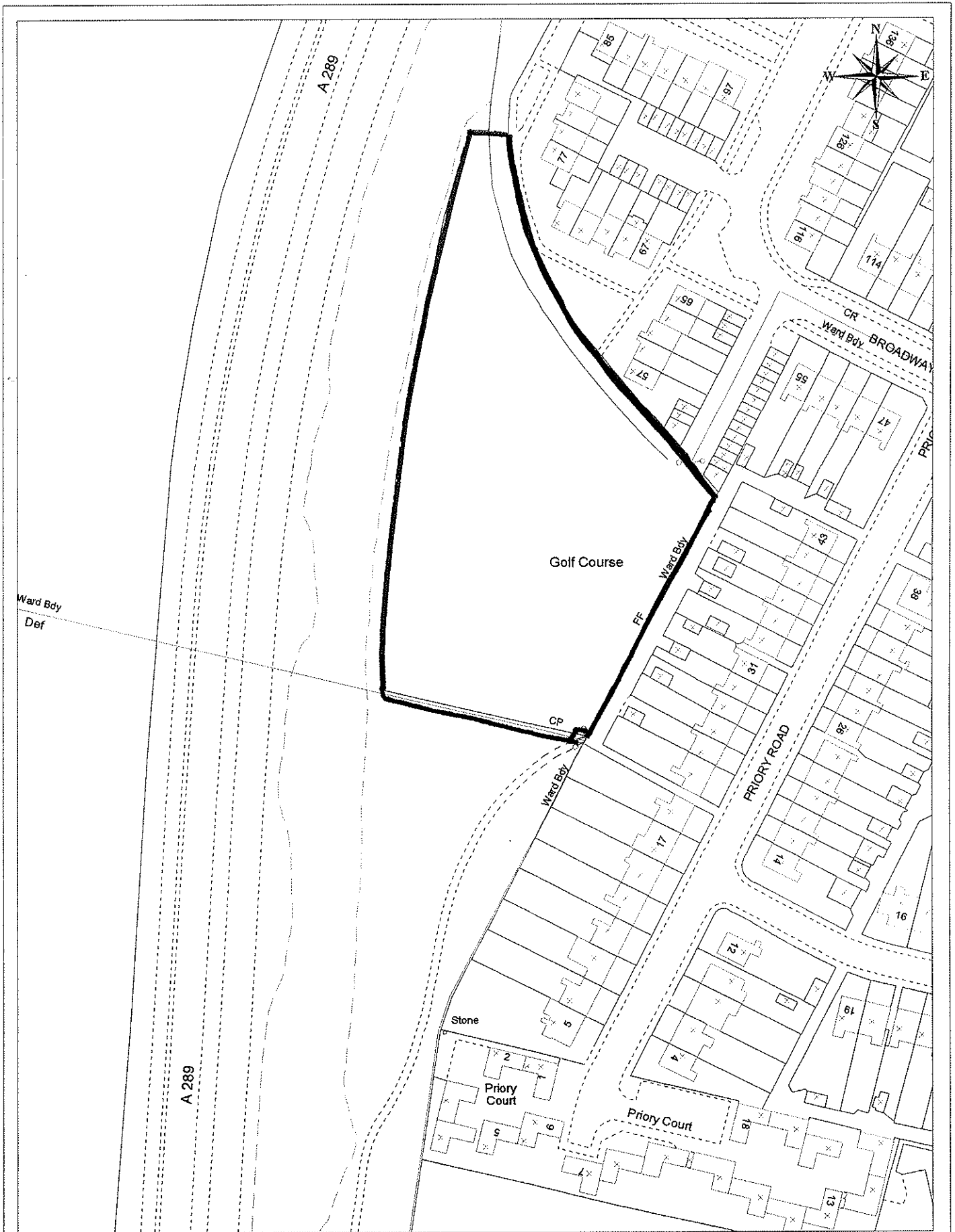
Area = 1,576 m²

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25/01/06



Title:land off the Broadway, Gillingham



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