

## **CABINET**

**6 JANUARY 2009**

### **VARIOUS PROPERTY DISPOSALS**

Portfolio Holder: Councillor Alan Jarrett, Finance

Report from: Deborah Upton, Assistant Director Housing and Corporate Services

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, these are matters 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 Fitzthorold House, St Albans Close, Gillingham.**

3.2.1 The Council owns the freehold of the above site, as shown edged black on the attached plan. The site has an area of approximately 0.2044 hectares (0.505 acres). The site includes a two-storey former sheltered accommodation block, which contains 24x bed sits and 1x2-bed flat, which are now all vacant. The site is no longer required for the provision of services. It is felt that the site would be suitable for redevelopment subject to the necessary consents. Previously Cabinet has supported the redevelopment of the site for extra-care sheltered housing, however, due to the close proximity of a gas works and revised Health & Safety Executive (HSE) restrictions planning consent would not be forthcoming for this use. Consequently officers are proposing disposal for general needs housing, which is likely to be an acceptable use.

#### **3.3 Land adjacent to 141 Laburnham Road, Strood.**

3.3.1 The Council owns the freehold of the above site, as shown edged black on the attached plan. The site has an area of approximately 388 sq metres (0.1 acres). The site is a small, grassed area, which is not regarded by Greenspaces as required. The site had planning permission for two semi-detached houses, but this expired in the early 1980's. It is felt that the site would be suitable for redevelopment subject to the necessary consents. The council's property section may apply for a new planning consent prior to disposal if it is felt this would increase the level of the capital receipt.

#### **3.4 Land adjacent to 34 Heathfield Close, Chatham.**

3.4.1 The Council owns the freehold of the above site as shown edged black on the attached plan. The site has an area of approximately 245 sq metres (0.06 acres). The site is a small, grassed area, which is not regarded by Greenspaces as required. It is felt that the site would be suitable for redevelopment subject to the necessary consents. The council's property section may apply for planning consent prior to disposal if it is felt this would increase the level of the capital receipt.

### **4. Advice and analysis**

4.1 These property assets can either be retained or sold. If they are sold, capital receipts will be obtained, which the Council can use towards funding service priorities/reducing debt and the disposals will also hopefully result in further investment in the Medway area.

## **5. Consultation**

- 5.1 Consultation has taken place with the service directorates, and the relevant Portfolio Holders and no objections to these disposals have been received.

## **6. Financial and legal implications**

- 6.1 Fitzthorold House is held within the housing revenue account. Under current financial rules on capital receipts pooling the Council is required to pass 50% of the proceeds from the sale of certain Housing Revenue Account assets to the government. However, the Government's Capital Allowance scheme allows local authorities to reduce or eliminate the pooling requirement by offsetting these capital receipts against a notional 'pot' for specified types of capital expenditure i.e. affordable housing and regeneration. As Medway's notional capital allowance pot comfortably exceeds the likely capital receipt there will be no pooling requirement for Fitzthorold house.
- 6.2 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.
- 6.3 Where any land is held as public open space, the Council is required under s123(2A) of the Local Government Act 1972 to advertise its intentions to dispose of it in a local paper for two consecutive weeks and consider any objections. It could be argued that the land adjacent to 141 Laburnham Road is held as open space and therefore it is intended to advertise the intended disposal and consider any objections.
- 6.4 As discussed above, Fitzthorold House is held within the Housing Revenue account for housing purposes. Section 32 of the Housing Act 1985 gives the power to a local authority to dispose of land held for housing purposes, subject to the consent of the Secretary of State. Failure to obtain ministerial consent to the disposal of housing land could make any transaction unlawful.
- 6.5 However, the General Housing Consents 2005 - Consent E (Part II land) gives general consent for a local authority to dispose of land held for housing purposes. Paragraph E3.1 states "A local authority may dispose of any land held for the purposes of Part II for the best consideration that can reasonable be obtained." This consent would cover the disposal of Fitzthorold House.

## **7. Recommendations**

- 7.1 It is recommended that Fitzthorold House, St Albans Close, Gillingham, be declared surplus to enable the Assistant Director of housing and corporate services, in consultation with the Portfolio Holder for Finance, to dispose of it at best consideration using delegated powers.
- 7.2 It is recommended that the Land adjacent to 141 Laburnham Road, Strood, be declared surplus to enable the Assistant Director of housing and corporate services, in consultation with the Portfolio Holder for Finance, to advertise its proposed disposal under s123(2A) of the Local Government Act 1972, to consider any objections and to determine whether to dispose of it (and if applicable) to dispose of the site at best consideration using delegated powers.
- 7.3 It is recommended that the Land adjacent to 34 Heathfield Close, Chatham be declared surplus to enable the Assistant Director of housing and corporate services, in consultation with the Portfolio Holder for Finance, to dispose of it at best consideration using delegated powers.

## **8. Suggested reasons for decision(s)**

- 8.1 Cabinet is requested to declare the properties surplus in order to reduce revenue costs, realise capital receipts and gain investment in the Medway area.

### **Lead officer contact:**

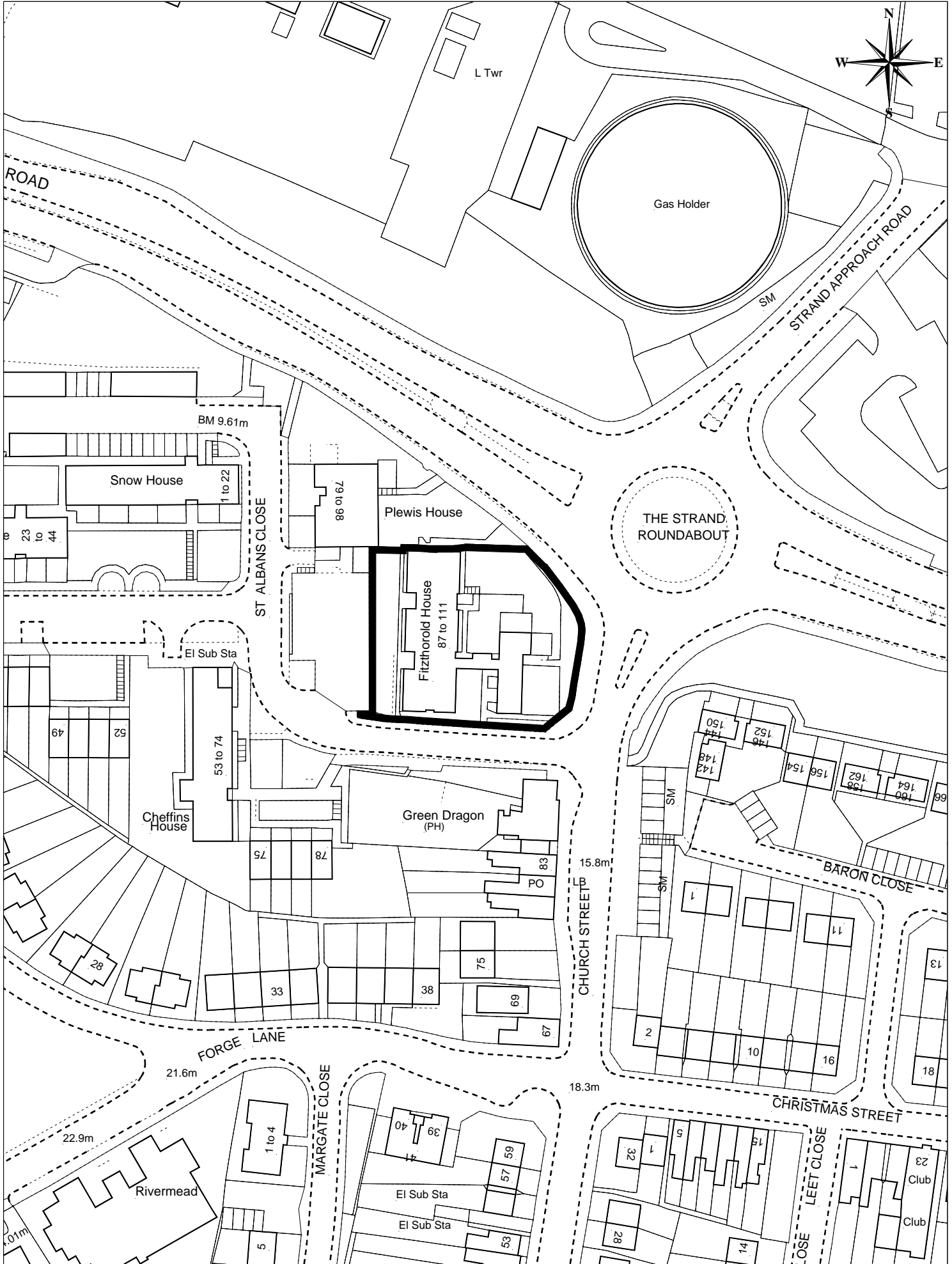
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### **Background Papers:**

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

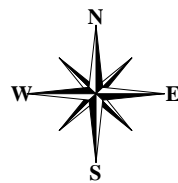


**Fitzthorold House**  
**St Albans Close, Gillingham**  
**Area = 2,044 m<sup>2</sup>**



Scale: NTS 05/12/08

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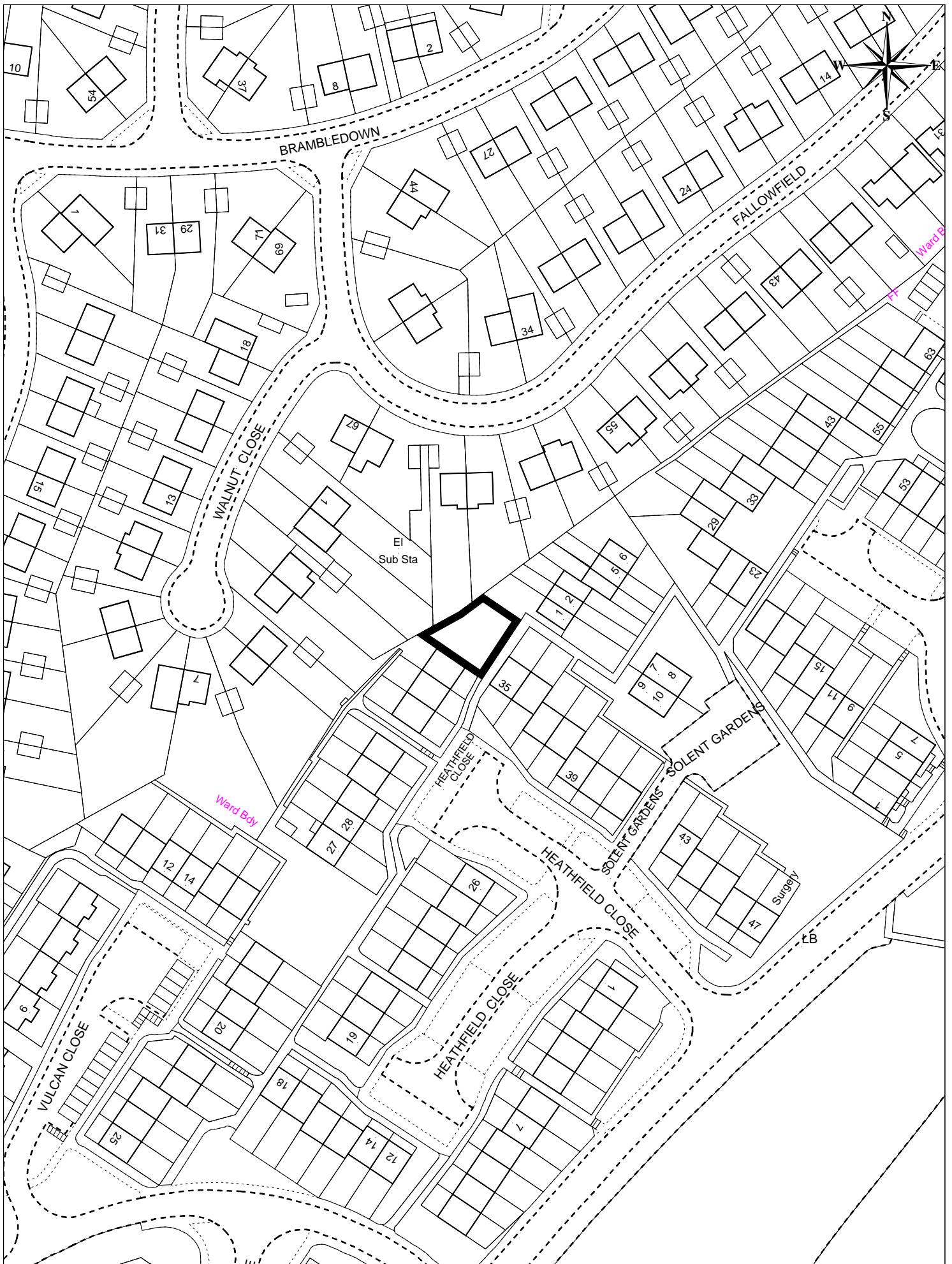
**Land adj. 141 Laburnham Road  
Strood  
Area = 388 m<sup>2</sup>**



Scale: NTS 05/12/08

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**Land adj. 34 Heathfield Close**  
**Chatham**  
**Area = 245 m<sup>2</sup>**



Scale: NTS 05/12/08

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