

BUSINESS SUPPORT OVERVIEW AND SCRUTINY COMMITTEE

3 FEBRUARY 2009

CALL-IN:VARIOUS PROPERTY DISPOSALS (FITZHOROLD HOUSE)

Report from: Neil Davies, Chief Executive

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Summary

This report details the call-in request from the Liberal Democrat Group of Cabinet decision 7/2009 and asks Members to consider this decision and report their findings to the next Cabinet meeting on 17 February 2009.

1. Budget and Policy Framework

1.1 In accordance with chapter 4, part 5, paragraph 16.3 of the constitution with regard to decisions, the Cabinet decision 7/2009 have been called in to this Committee by six Members of the Liberal Democrat Group.

2. Background

2.1 On 6 January 2009 the Cabinet considered a report detailing properties which had been brought forward to be declared surplus. It was noted that this site (Fitzhorold House) is no longer required for the provision of services and that the site would be suitable for redevelopment subject to the necessary consents.

2.2 The Cabinet made the following decision:

Decision No. 7/2009:

The Cabinet agreed that Fitzhorold House, St Albans Close, Gillingham, is 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.

2.3 The reasons for the call-in request from the Liberal Democrat group is stated as:

1. To clarify what the capital receipt will be used for.
2. To investigate why this site, in a prime regeneration area which has been empty for a long period is only disposed of after the collapse of the property market.
3. The Cabinet report is attached as an appendix.

3 Director's Comments

- 3.1 With very few exceptions, capital receipts arising from the sale of surplus Council assets are not ring-fenced for specific capital expenditure. The Council currently has an approved capital programme of some £126 million. This will be funded from a variety of sources including almost £12 million from capital receipts. It is imperative that the supply of capital receipts is maintained, in order to fulfil the aspirations of the capital programme.
- 3.2 Community Services were looking at using the site of Fitzthorold House as a site for the development of extra care housing (for the frail elderly). However the site is near the Gas Works in Pier Road and the recent enlargement of the exclusion zone around the gas works has meant that such a use would not now be permitted.
- 3.3 Fitzthorold House only became vacant in April 2008 and whether it would be better for the Council to secure vacant possession of Plewis House and sell the two properties together, needed to be considered.

4 Financial and legal implications

- 4.1 These are set out in the Cabinet report.

5. Recommendations

- 5.1 Members are asked to consider decision 7/2009 as outlined in paragraph 2.2 above.

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Background papers

Report to Cabinet – 6 January 2009