

CABINET

27 NOVEMBER 2012

DISPOSAL OF 139A PALMERSTON ROAD CHATHAM

Portfolio Holder: Councillor Alan Jarrett, Finance

Report from: Perry Holmes, Assistant Director Legal and Corporate Services

Author: Ed Davies, Senior valuation surveyor

Summary

This report requests that Cabinet declares the above property surplus, so that it can be disposed of for best consideration.

1. Budget and Policy Framework

- 1.1. As the value of the property is above £100,000, but will be 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.
- 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 a property, which is considered to be surplus to requirements.

3. Disposal of Property Assets

3.1. Cemetery Lodge 139a Palmerston Road Chatham

- 3.1. The Council owns the freehold of the above site as shown approximately edged black on the attached plan. The site has an area of approximately 577 sq metres and it includes a Cemetery Lodge and

former office. The Lodge was occupied until recently by a service tenant who was accommodated at the Lodge for the betterment of duties carried out at the cemetery. Now that the tenant has vacated the Lodge, it has become surplus to Council requirements as the duties undertaken at the cemetery are no longer required.

4. Advice and analysis

- 4.1 This property can either be retained or sold. If it is sold, a capital receipt will be obtained, which the Council can use towards funding service priorities/reducing debt and the disposal will also hopefully result in further investment in the Medway area. Bereavement Services do not need to re-let this property, as the work undertaken by the previous service tenant at the cemetery is no longer required. Therefore, if the property is retained it is likely to remain empty, as the cost of bringing the property up to a standard so that it can be let as a council house is considered to be prohibitive when compared to the rental income.

5. Risk Management

Risk	Description	Action to avoid or mitigate risk	Risk Rating
The property will remain vacant and become expensive and difficult to manage.	The empty property may attract vandalism and antisocial behaviour. Thus reducing the value of the property.	Regular inspections of the property and offer for sale by auction as soon as possible.	C2

6. Consultation

- 6.1 Consultation has taken place with the service directorate and the relevant Portfolio Holders and no objections to this disposal have been received.

7. Financial and legal implications

- 7.1 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. The Council will need to ensure that any land to be sold with the lodge is not consecrated ground.
- 7.2 Disposal of the property within the current financial year would be advantageous to provide an early capital receipt.
- 7.3 Although the property was previously used for a residential purpose, as it was let in connection with work undertaken at the cemetery, the

property does not fall within the Housing Revenue Account and the restrictions relating to HRA property do not apply.

8. Recommendations

- 8.1 It is recommended that the site of the lodge/office at 139a Palmerston Road Chatham, (as shown approximately edged black on the attached plan) be declared surplus and the Assistant Director of Legal and Corporate Services, in consultation with the Portfolio Holder for Finance, be given delegated authority to dispose of it at best consideration.

9. Suggested reasons for decision(s)

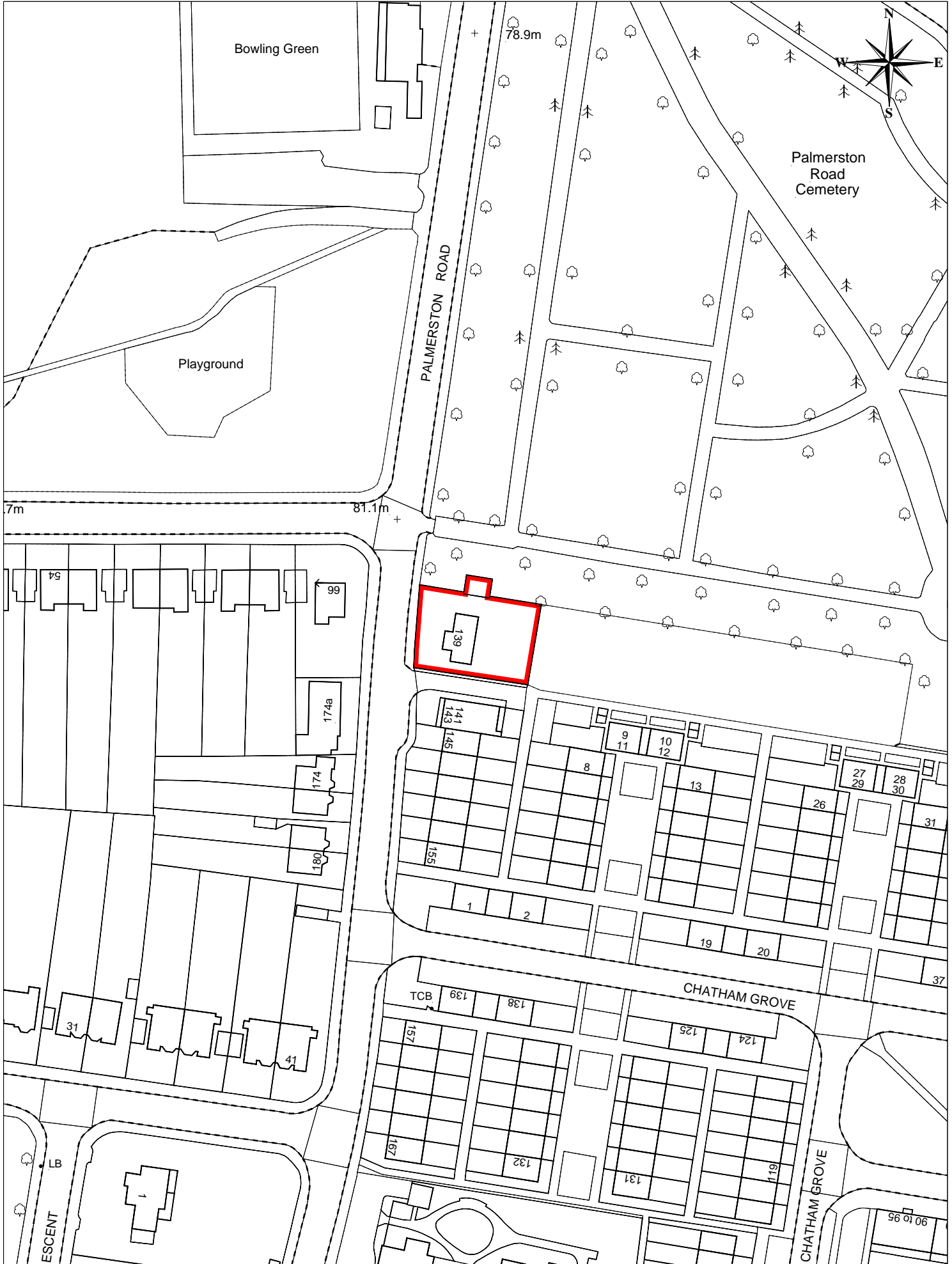
- 9.1 Cabinet is requested to declare the property surplus in order to reduce revenue costs, realise a capital receipt and gain investment in the Medway area.

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Background Papers:

Corporate Property Strategy, approved by Cabinet on 4 April 2006.
<http://democracy.medway.gov.uk/mglIssueHistoryHome.aspx?IId=2047>



139a Palmerston Road (Cemetery Lodge)
Chatham
577 m²



Scale: NTS 09/11/12