

CABINET

26 NOVEMBER 2013

54 NORTHCOTE ROAD, STROOD

Portfolio holder: Councillor Alan Jarrett, Finance
Report from: Perry Holmes, Assistant Director Legal & Corporate Services
Author: Noel Filmer, Valuation & Asset Management Manager

Summary

This report requests that Cabinet delegates authority to declare surplus 54 Northcote Road, Strood.

1. Budget and Policy Framework

- 1.1 This is a matter for Cabinet as the capital value of the property for disposal will be over £100,000 but below £1,000,000.

2. Background

- 2.1 The council owns in excess of 1,000 property assets and after staff, this constitutes the council's largest single cost. Effective asset management is therefore essential if the council is to fulfil core objectives and provide good quality, value for money services.
- 2.2 All property assets are considered in the context of the council's outcomes, objectives and key actions (as set out in the Council Plan) to ensure that they contribute to the council's priorities.

3. 54 Northcote Road, Strood.

- 3.1 This report requests that Cabinet delegates authority to the Assistant Director Legal and Corporate Services, in consultation with the Portfolio Holder for Finance, to declare surplus the property (shown approximately edged black on the attached Plan) together with the advertising hoarding located on the southern boundary of the site following completion of the works referred to in paragraph 3.4 of this report.
- 3.2 The property transferred to the Council from KCC under local government reorganisation in 1998 for a road improvement scheme. Cabinet agreed at a meeting on 27 September 2005 that the property be retained for the time being

and continue to be used for temporary accommodation for the homeless until it is required for road improvements.

- 3.3 A major highway scheme to provide improved pedestrian accessibility via a subway at the Darnley Arch has been abandoned due to financial constraints. Design work on an alternative scheme to realign the A228 Cuxton Road under the Darnley Arch Rail Bridge at the junction of Cuxton Road, Darnley Road, Northcote Road and Priory Road is now underway.
- 3.4 It is possible that the scheme will involve doing works within the boundary of 54 Northcote Road and it is anticipated that work on the scheme will commence in the Spring/Summer 2014 with completion by the end of the year. Once the scheme has been completed the property can be declared surplus and sold.

4. Options

- 4.1 The council can either retain 54 Northcote Road once the highway works are completed with the inherent risk of future holding costs or dispose of its interest and realise a capital receipt.

5. Advice and analysis

- 5.1 The council transferred its housing stock in Strood to Medway Housing Society in 1990 as part of the stock transfer and retains no other houses in the area. As a result, retaining the property for use for Council housing would be inefficient.

6. Consultation

- 6.1 Consultation has taken place with the relevant Directorates and no objections to these proposals have been received.

7. Financial and legal implications

- 7.1 Section 123 Local Government Act 1972 requires the council to obtain the best consideration reasonably obtainable when it disposes of its surplus properties.
- 7.2 Under Part 5 of Part 3 of the Council's Constitution, the decision to dispose of the property is one for Cabinet as the value of the property is between £100,000 and £1,000,000
- 7.3 Whilst the income received from letting an advert hoarding at 54 Northcote Road (£2,000 per annum) would be lost, the disposal will generate a capital receipt, eliminate ongoing property management costs and the risk of voids.

8. Risk Management

Risk	Description	Action to avoid or mitigate risk	Risk Rating
54 Northcote Road – Failure to dispose	Increased management costs, council tax and possible impact on disposal value	Declare the property surplus to requirements and place on the open market to achieve a capital receipt as soon as the highway improvement has been completed.	D3

9. Recommendations

- 9.1 It is recommended that Cabinet agrees to delegate authority to the Assistant Director, Legal and Corporate Services, in consultation with the Portfolio Holder for Finance, to declare surplus 54 Northcote Road when the highway improvement has been completed, or once it has been ascertained that the council does not need access to the property to complete the highway improvement, so that the property can be disposed of by the Assistant Director, Legal and Corporate Services, in consultation with the Portfolio Holder for Finance, for best consideration.

10. Suggested reasons for decisions

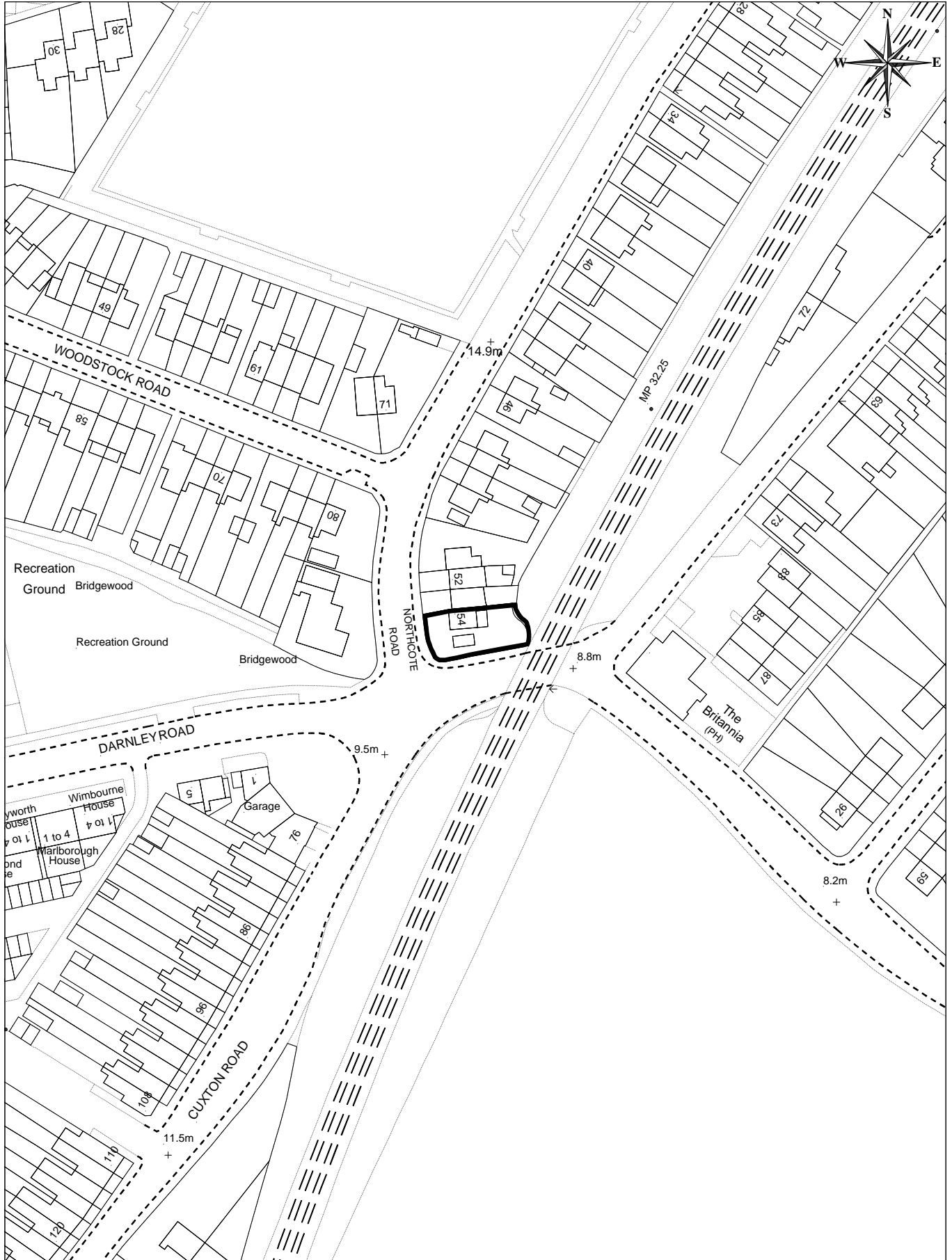
- 10.1 To realise a capital receipt and to reduce revenue costs.

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Background Papers

None



PLAN No. 2
54 Northcote Road
Strood

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