

## **COUNCIL**

**21 JULY 2011**

### **ADDITION TO THE CAPITAL PROGRAMME**

Portfolio Holders: Councillor Alan Jarrett, Finance  
Councillor Howard Doe, Housing and Community Services

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

Author: Noel Filmer, Valuation & Asset Management Manager

#### **Summary**

To seek Council approval to add £45,000 to the Capital Programme to enable 89 Beechings Way, Gillingham to be converted into a flat.

#### **1. Budget and Policy Framework**

1.1 Additions to the Capital Programme are a matter for Council.

#### **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 its priorities, outcomes, objectives and key actions, as set out within the Council Plan, all properties are considered in the context of rationalisation.

2.3 Cabinet considered a report on 7 June 2011 which brought forward proposals for the disposal of properties, which were considered to be surplus to requirements, plus the conversion of an existing Council property into a flat, in Beechings Way, Gillingham.

2.4 The Cabinet recommended to Full Council that it makes an addition to the capital programme of £45,000 to pay for the cost of conversion once planning consent has been obtained for the conversion of 89 Beechings Way into a flat.

- 2.5 The Cabinet delegated authority to the Assistant Director of Housing and Corporate Services, in consultation with the Portfolio Holder for Finance, to declare surplus 231 and 233 Beechings Way, once 89 Beechings Way has been converted into a flat and then sell 231 and 233 Beechings Way at best consideration.
- 2.6 The Cabinet report provided details of the proposals regarding 231/233 Beechings Way – 231 Beechings Way being a ground floor lock up shop and 233 Beechings Way a 2 bedroom flat. It was noted that whilst the disposal of 233 Beechings Way will result in the loss of one housing unit from the Council's housing stock, the loss of this unit could be compensated for by converting 89 Beechings way into a ground floor flat at an estimated cost of £45,000.

### **3. 89 Beechings Way, Gillingham**

- 3.1 The Council owns the freehold of 89 Beechings Way (a ground floor lock up office) with council flats above and adjoining it. The premises were once a shop, but have since been converted to offices for council use. The premises (both as a shop and an office) have always been extremely difficult to let and apart from when they were used for council uses, have remained empty for many years. There is no longer a use for this property as Council offices.
- 3.2 It is not possible to dispose of the freehold of the premises, as there are flats above. However, subject to planning permission being granted (planning officers have confirmed that there is no objection to the principle of conversion to residential use), it is considered that the premises could be converted into a flat to compensate for the loss of the flat at 233 Beechings Way.

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

- 4.1 The Cabinet noted that the council could retain 231 and 233 Beechings Way and continue to generate a small rental income. It could also keep trying to let 89 Beechings Way, but it seems unlikely that a suitable tenant will be found in the near future and as a result, the council will have to continue spending money managing this void property. As such, the Cabinet has recommended that the Council converts 89 Beechings Way into a flat and then disposes of 231 and 233 Beechings Way.

## 5. Risk Management

Risk	Description	Action to avoid or mitigate risk
Empty properties are expensive and difficult to manage.	Empty properties become a target of antisocial behaviour/vandalism/squatters pending disposal.	Convert 89 Beechings Way into a flat and let this. Then dispose of 231/233 Beechings Way.

## 6. Consultation

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

## 7 Financial and legal implications

- 7.1 The legal implications regarding the sale of the Beechings Way properties were included in the Cabinet report, but there are no specific legal implications relating to the addition of this sum to the capital programme.
- 7.2 The capital funding required for the conversion works to 89 Beechings Way (£45,000) will be met from the future sale proceeds of 231 and 233 Beechings Way.

## 8. Recommendation

- 8.1 That Council agrees to make an addition to the capital programme of £45,000 to pay for the cost of conversion once planning consent has been obtained for the conversion of 89 Beechings Way into a flat

### Lead officer contact:

Noel Filmer, Valuation and asset management.  
Telephone: (01634) 332415  
Email: [noel.filmer@medway.gov.uk](mailto:noel.filmer@medway.gov.uk)

### Background Papers:

Corporate Property Strategy, approved by Cabinet on 4 April 2006