

Council

17 July 2025

The Disposal of Unit 1, Cherry Trees Court, Hemel Hempstead, Hertfordshire

Portfolio Holder: Councillor Zoë Van Dyke Portfolio Holder for Business Management

Report from: Sunny Ee, Assistant Director, Regeneration

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Summary

This report advises the Council of the sale of Unit 1, Cherry Trees Court, Hemel Hempstead, Hertfordshire. This follows inclusion of the property on a list of non-operational properties declared surplus by the Cabinet on 29 October 2024.

This report is submitted to the Council for information in line with constitutional requirements.

1. Recommendation

- 1.1. The Council is requested to note the sale of Unit 1, Cherry Trees Court, Hemel Hempstead, Hertfordshire.

2. Budget and Policy Framework

- 2.1. The limit of authority for the Chief Executive and Directors to act in the disposal of land and property is £500,0000, with disposals above this value to be agreed by the Cabinet.
- 2.2. The Cabinet agreed to include the property on a list of non-operational properties declared surplus on 29 October 2024 and delegated authority to the Director of Place in consultation with the Corporate Landlord Board (CLB) to agree the method of disposal for each property and to dispose of the properties in order to obtain the best price reasonably obtainable.
- 2.3. Disposal of the property was agreed by the Director of Place, in consultation with CLB on 27 March 2025 with the sale having been completed on 18 June 2025. As the sale value of £1,820,000, plus the Council's costs, is above the threshold of £1,000,000, there is a requirement to submit a report to Full Council for information only. This is in accordance with the financial limits in the Council's Constitution. This report complies with that constitutional requirement.

3. Background

- 3.1. On 29 October 2024, the Cabinet agreed an updated Property Asset Management Strategy (PAMS) which will help the Council to meet the challenges of the CIPFA Resilience Review January 2024. Amongst other things, this recommended that the Council should carry out a property review to identify surplus property assets.
- 3.2. Alongside the updated Strategy, the report considered by the Cabinet also presented phase 1 of the resulting property review in relation to those non-operational property assets which had been identified as being suitable for being declared surplus, so that they could potentially be disposed of, following appropriate consultation with stakeholders, including the Council's Corporate Landlord Board (CLB.).
- 3.3. The Cabinet declared a number of non-operational properties surplus [decision Nos 129a/2024 to 129ac/2024 refer] and agreed to delegate authority to the Director of Place in consultation with the Corporate Landlord Board (CLB), to agree the method of disposal for each property and to dispose of the properties in order to obtain the best price reasonably obtainable.
- 3.4. One of the properties that was declared surplus was a leased out warehouse located at Unit 1, Cherry Trees Court, Hemel Hempstead, Hertfordshire.
- 3.5. On 27 March 2025, the Director of Place in consultation with CLB agreed to dispose of the property, in addition to another property which is below the £1,000,000 threshold for reporting to Council, by public auction and the properties were offered for sale at auction on 20 May 2025. The completion of the sale of the properties took place on 18 June 2025 and a sale price of £1,820,000, plus the Council's costs, was achieved for Unit 1, Cherry Trees Court, Hemel Hempstead, Hertfordshire.
- 3.6. As the sale value of the property is above £1,000,000, there is a constitutional requirement for it to be reported to Full Council for information.

4. Risk management

- 4.1. The Cabinet report (29 October 2024) set out the following risks in relation to agreement of the updated Property Asset Management Strategy and disposal of properties.

Risk	Description	Action to avoid or mitigate risk	Risk rating
Outdated Property Asset Management Strategy	Relying on the 2017 strategy is not best practice and ignores the current financial challenges	Implementing the CIPFA report recommendations and accepting the new strategy	CII

Risk	Description	Action to avoid or mitigate risk	Risk rating
DLUHC intervention after the Council has had to issue a s114 notice	Failing to enact a robust credible strategy by not disposing of a sufficient quantity and value of properties	<p>£34.873M has already been identified from the disposal of non-operational properties</p> <p>Ensure that properties are declared surplus</p> <p>Ensure that the property function is resourced to deal with the disposals</p> <p>Ensure that a robust review of the operational portfolio is completed</p>	CII
The £20M target is not achieved	An inadequate supply of properties is made available for sale, or the properties do not achieve as much as they are currently valued at	<p>£34.873M has already been identified from the disposal of non-operational properties</p> <p>Ensure that properties are declared surplus and sold</p> <p>Ensure that the property function is resourced to deal with the disposals</p> <p>Ensure that a robust review of the operational portfolio is carried out</p>	CII
There is a net loss in revenue after the disposals.	The loss of revenue income resulting from the sales exceeds the saving in servicing debt	<p>Where appropriate, negotiate directly with tenants to secure the best price for assets</p> <p>Include suitable “reserve” prices in any sale, to ensure that the saving in debt from selling the properties exceeds the rental income</p> <p>Ensure that a robust review of the operational portfolio is carried out</p>	CII

Likelihood	Impact:
A Very likely B Likely C Unlikely D Rare	I Catastrophic II Major III Moderate IV Minor

5. Consultation

- 5.1. Corporate Management Team, the Council's finance and legal teams, and the relevant service departments were all consulted in advance of the Cabinet decision and there were no objections to the proposals in respect of phase 1 of the property review. The implementation of the Property Asset Management Strategy and the property review is being overseen by the new Corporate Landlord Board, which is chaired by the Director of Place and has representatives of all directorates. The Board's roles include assessing the most suitable properties for disposal and the method of disposal to obtain the best price reasonably obtainable.
- 5.2. Following the Cabinet decision to include Unit 1, Cherry Trees Court on the list of non-operational properties, the Director of Place, in consultation with CLB agreed to dispose of the property by auction.

6. Financial and legal implications

- 6.1. Using the receipt from the sale to pay off debt will generate savings of over £40,000pa above the net rent received from letting the property. The sale of the property has also removed the risk of the Council being exposed to empty property and reletting costs, should the property become vacant.
- 6.2. The Council has a duty under Section 123 of the Local Government Act 1972, to obtain best consideration when it disposes of or grants leases for over seven years or more of land and property.
- 6.3. There were no onerous covenants, which prevented the Council disposing of Unit 1, Cherry Trees Court.

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Appendices

None

Background papers

[Property Asset Management Strategy & Property Review, Cabinet 29 October 2024](#)
[The Disposal of Unit 1 Court Farm Industrial Estate, Cwmbran, Gwent and Unit 1 Cherry Trees Court, Hemel Hempstead, Hertfordshire, Officer Executive Decisions, 20 June 2025](#)