

CABINET

20 DECEMBER 2011

MISCELLANEOUS PROPERTY DISPOSALS

Portfolio Holder: Councillor Alan Jarrett, Finance

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

Author: Noel Filmer, Valuation & Asset Management Manager

Summary

This report requests that Cabinet:

1. Declares 1 Capstone Road Luton, 3 Queen Street Chatham and the remainder of the site of the Former Pentagon Service Station site in The Brook, Chatham, surplus and;
2. Delegates authority to the Chief Finance Officer in consultation with the Portfolio Holder for finance to declare surplus 54 Northcote Road, when the part of it needed for a road improvement has been taken or it is clear that the improvement will not be taking place;

so that the properties can be disposed of.

1. Budget and Policy Framework

- 1.1. As the value of each property is over £100,000, but below £1,000,000 these disposals are matters 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 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 This report brings forward proposals for the disposal of properties, which are considered to be surplus to requirements or are likely to become surplus to requirements in the near future.

3.1 1 Capstone Road Luton

3.1.1 The Council owns the freehold of the above property as shown edged black on the attached plan. The property is a two bedroom detached bungalow.

3.1.2 The property was originally acquired by KCC for a road scheme. KCC let the property to residential tenants and then abandoned the scheme. The property transferred to Medway Council on 1 April 1998 and has remained tenanted since. The property has now become vacant and as the scheme that it was acquired for is no longer happening, the property is not needed and should be declared surplus.

3.2 3 Queen Street Chatham

3.2.1 The Council owns the freehold of the above property as shown edged black on the attached plan. The property is a three-bedroom end of terrace.

3.2.2 Medway Council acquired the property on 30 June 2008 (using HCA funding). The property was acquired in connection with the regeneration of Chatham and the Brook Road improvement. However, the property is no longer needed for these purposes now. The property is currently let to a residential tenant on a short-term non-secure licence and the occupier will be relocated before the property is sold so that it can be sold with vacant possession.

3.3 54 Northcote Road Strood

3.3.1 The council owns the freehold of the above property as shown edged black on the attached plan. The property is a three-bedroom end of terrace.

3.3.2 The property was originally acquired by KCC for the Darnley Arch Road improvement. KCC let the property to a residential tenant and then abandoned the scheme. The property transferred to Medway Council on 1 April 1998 and subsequently KCC's residential tenant left the property. When Medway Council re-let the property, it has ensured that it was let on the basis of short-term, non secure licence, which can be terminated before the property is sold or when the Darnley Arch improvement is carried out. When the licence is terminated, the occupier will be relocated.

3.3.3 Network Rail is looking to replace the Darnley Arch railway bridge in 2013. To do this, it will need access to the site of 54 Northcote Road (which will need to be vacant) and the Council's highways department will ensure that this opportunity is taken to require that Network Rail

improves facilities for pedestrians at the same time. This will reduce the size of the property's garden.

- 3.3.4 Once the Network Rail scheme is completed, or if it becomes clear that it will not ever happen, it is proposed that the remainder of the property is declared surplus, so that it can be sold.

3.4 Remainder of the site of the Former Pentagon Service Station

- 3.4.1 The Council owns the freehold of the land edged black on the attached plan. Site Area approximately 0.086 hectares (0.21 acres).

- 3.4.2 The whole of the former service station site was acquired (using HCA funding) for the road improvements in the Brook, but only part of the site was needed for this improvement. It is therefore recommended that the balance of the site (edged in black) be declared surplus, so that it can be disposed of.

4. Advice and analysis

- 4.1 The Council could retain the properties and continue to generate a small rental income from using the houses for temporary accommodation. Alternatively, the Council could dispose of the properties, to generate capital receipts and to reduce revenue costs.

5. Risk Management

Risk	Description	Action to avoid or mitigate risk
Empty properties are expensive and difficult to manage pending disposal	Empty properties become a target of antisocial behaviour/vandalism/squatters pending disposal.	Dispose of 1 Capstone Road as soon as possible, 3 Queen Street as soon as possible after it is vacant and 54 Northcote Road as soon as the road improvement is completed or is abandoned.

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 Council has a duty under s123 of the Local Government Act 1972 to obtain best consideration, when it disposes of interests in property,

unless consent is obtained from the Secretary of State, or one of the general consents applies. Whilst the sales of the properties, will result it a small decrease in rental income, it is felt that the capital receipts will more than compensate for this loss.

- 7.2 As 3 Queen Street and the Pentagon Service Station site were acquired using HCA funding, the Council may be required to pay any receipt, which it receives for these properties to the HCA. Officers will discuss this matter with the HCA before the properties are sold.
- 7.3 As the properties are not currently surplus, formal Reports on Title have not yet been prepared to ascertain whether there are any title issues relating to any of these properties. These reports will be undertaken following any decision to declare the properties surplus. In the event that any title issues are disclosed, these will be addressed before marketing and/or disposal of the properties.
- 7.4 The Current Assistant Director, Housing and Corporate Services, is leaving her post at the end of December 2011. The Chief Finance Officer will assume management responsibility for the service until the post is filled. Therefore, the Cabinet is asked to delegate any matters to the Chief Finance Officer during this time.

8. Recommendations

- 8.1 That Cabinet declares 1 Capstone Road Luton (as edged black on the attached plan) surplus and delegates authority to the Chief Finance Officer, in consultation with the Portfolio Holder for Finance, to sell the property at best consideration.
- 8.2 That Cabinet declares 3 Queen Street Chatham (as edged black on the attached plan) surplus and delegates authority to the Chief Finance Officer, in consultation with the Portfolio Holder for Finance, to sell the property at best consideration.
- 8.3 That Cabinet declares the remainder of the site of the Former Pentagon Service Station (edged in black) surplus and delegates authority to the Chief Finance Officer, in consultation with the Portfolio Holder for Finance, to sell the property at best consideration.
- 8.4 That Cabinet delegates authority to the Chief Finance Officer, in consultation with the Portfolio Holder for Finance, to declare surplus the part of the site of 54 Northcote Road, which is not needed for the improvement of Darnley Arch, so that it can be sold for best consideration by the Chief Finance Officer, in consultation with the Portfolio Holder for Finance, once the Darnley Arch improvement scheme is completed, or if it becomes clear that it will not happen.

9. Suggested reasons for decision(s)

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

Lead officer contact:

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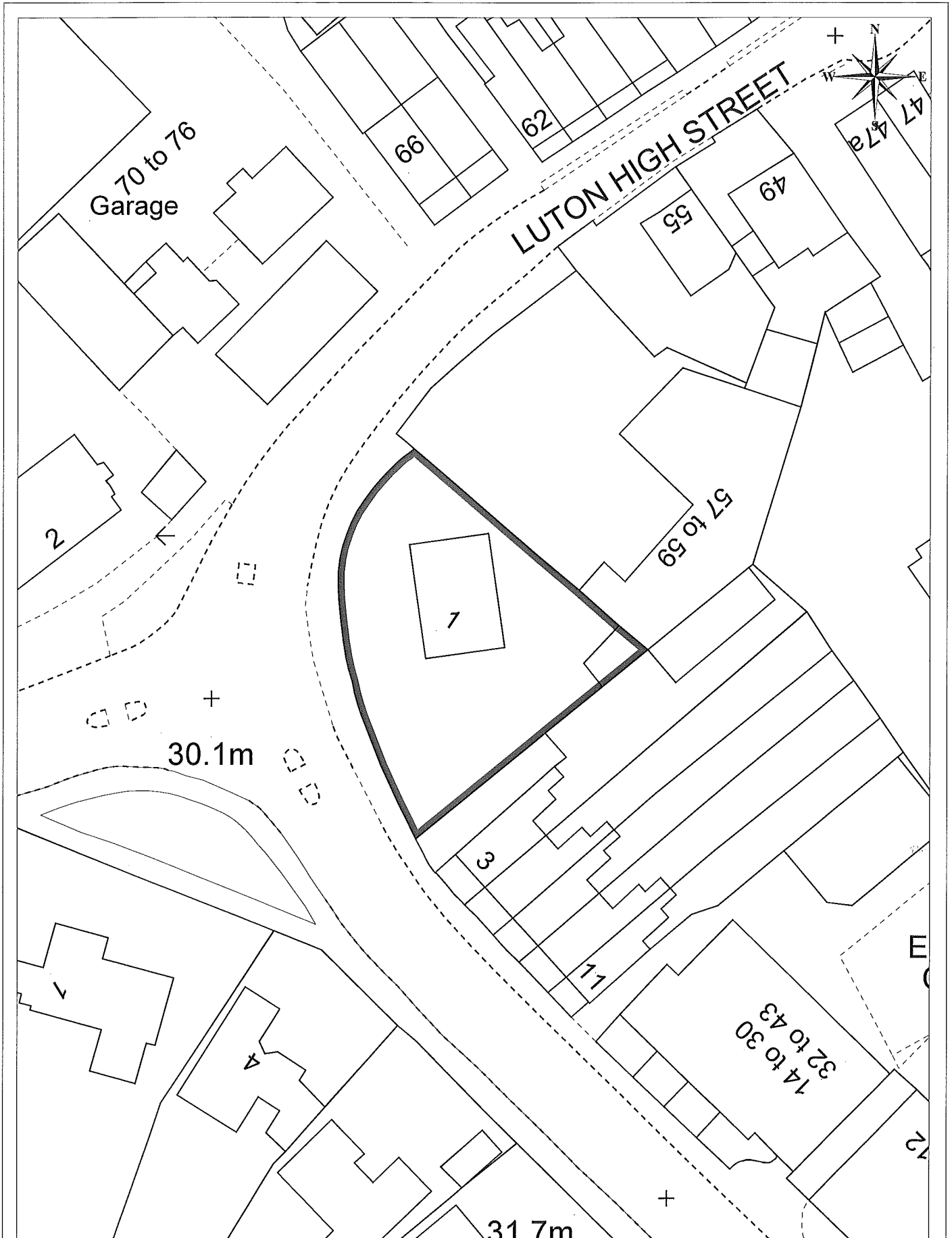
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Background Papers:

Corporate Property Strategy, approved by Cabinet on 4 April 2006.

T2 7766 PT6



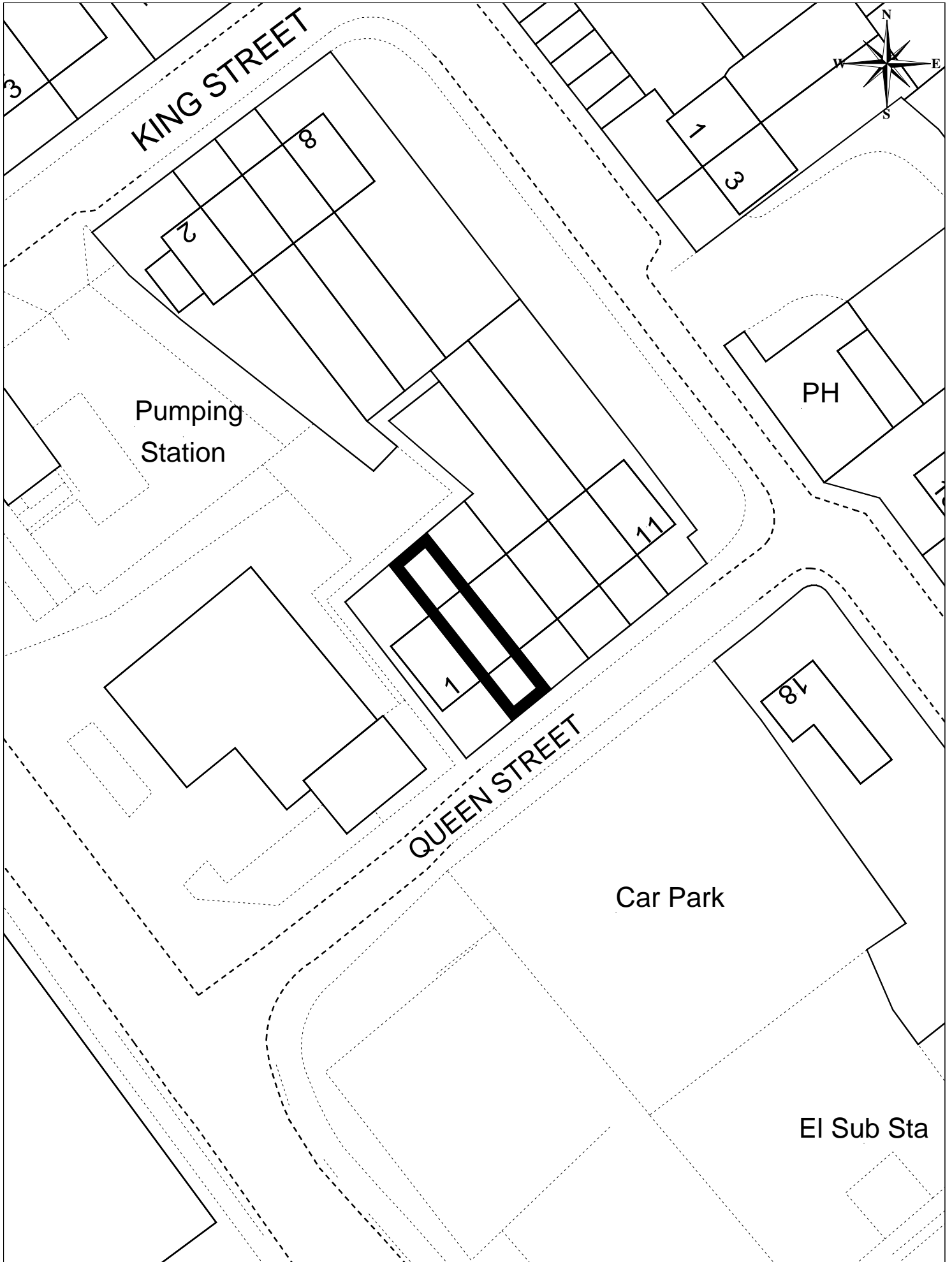
**1 Capstone Road
Chatham**

Medway
COUNCIL

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Scale: 1:500 19/10/11

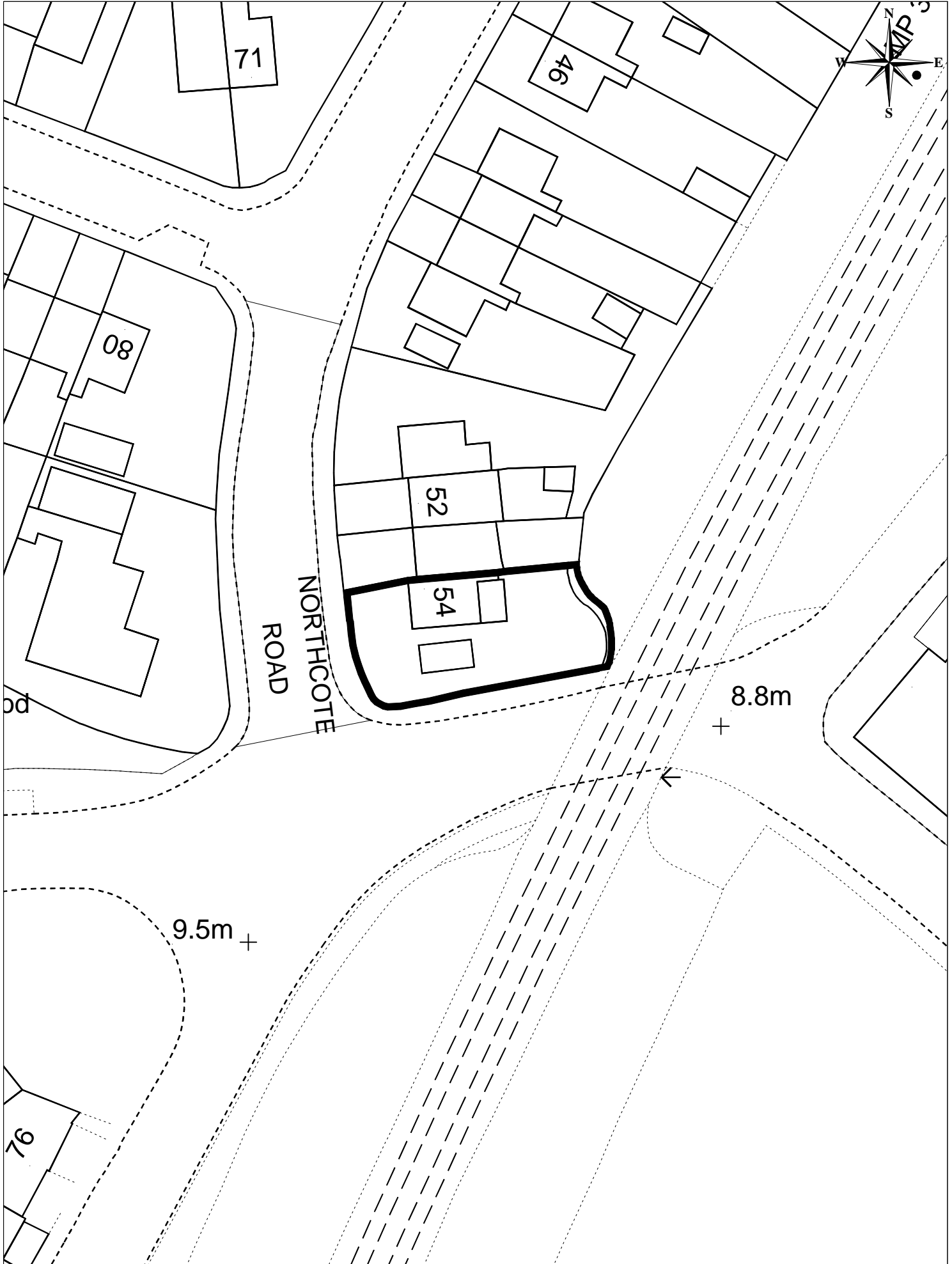
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**3 Queen Street
Chatham**



Scale: NTS 25/10/11

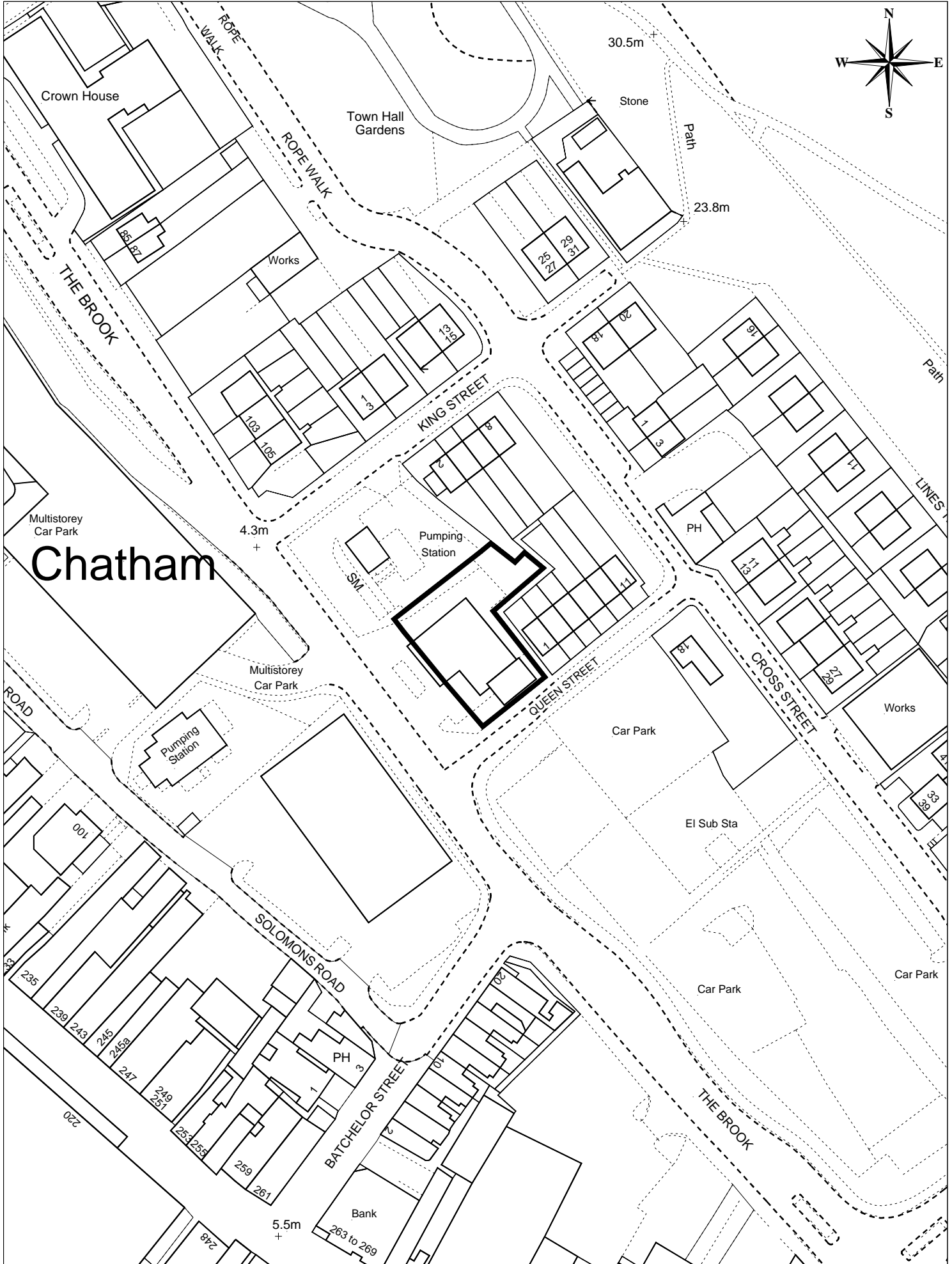


**54 Northcote Road
Strood**



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Scale: NTS 25/10/11



Chatham

Former Pentagon Service Station
The Brook, Chatham
Area = 860 m²



Scale: NTS 28/10/11