1. Purpose

1.1 The purpose of this report is to seek the authority of Cabinet to the disposal of freehold property identified in Appendices 1 & 2.

2. Recommendations

2.1.1 That Cabinet approve the disposal of the freehold property identified in Appendices 1 & 2 of this report, being

(a) Land at Exeter Place
(b) 51 Queen Eleanor Road
(c) Northwood Road Garage Site
(d) 23 Valley Road
(e) 40- 42 Guildhall Road

as the second tranche in implementing a broader programme of disposal of assets considered surplus to this Council’s requirements
2.2 That Cabinet delegate to the Director of Planning and Regeneration the power to negotiate the terms of the disposals in consultation with the Portfolio holder for Finance.

3. Issues and Choices

3.1 Report Background

3.1.1 The Corporate Asset Board has considered reports concerning the property portfolio of the Council. It has supported a decision to progress an asset disposal programme consistent with the Asset Categorisation set out in the adopted Corporate Asset Management Strategy 2010 –2013. The properties dealt with in this report are presently non-operational and not income producing.

3.1.2 The Corporate Asset Board (CAB) at its meeting on 20th July 2010 considered in detail the case for disposal of the properties set out in the attached appendices. CAB supported officer’s specific recommendations in this regard.

3.1.3 The views of Ward Councillors have been sought in each case. Save for 23 Valley Road and Northwood Road Garage Site no comments or objections have been received post the supply of requested information.

3.1.4 Councillors in Billing Ward have suggested that the Council might consider converting the retail element of 23 Valley Road to that of residential use in order to provide additional accommodation within the Council’s housing stock. Councillors also suggested that Billing Parish Council should be consulted as the premises did provide some amenity in the locality – when trading.

3.1.5 Enquiries have been made of the Housing Department regarding the suggestion of conversion of 23 Valley Road to wholly residential use. They have indicated that there is no funding available to carry out this work and that they would not prioritise this above existing demands upon the capital programme.

3.1.6 Enquiries have be made of Billing Parish Council seeking their views on the future of this property. They have commented that people had now become used to there not being a shop in Little Billing. They also commented that several tenants had tried and failed to make the shop a going concern and experienced problems with litter and anti-social behaviour. It is understood that these problems have abated since the shop was closed. They would prefer the premises to be converted to a residential unit. Several local people have expressed concerns that the premises are becoming quite dilapidated and would be pleased if the premises were improved in the short term.

3.1.7 Councillors in Eastfield Ward have expressed a view in favour of an alternative use for the site at Northwood Road due concerns about its derelict condition, which attracts fly tipping and anti social behaviour. Councillors have however, stated a preference to defer sale and retain this land to further explore (a) the building of single person dwellings on the site by either the Council or a
Housing Association or (b) the possibility of incorporating this land into the PFI proposal.

3.1.8 Enquires have been made of the Housing Department regarding the building of single person dwellings on the site by either the Council or a Housing Association. They have indicated that there is no funding available for the Council to develop the site. It is considered that the site would not be supported for transfer to an RSL for single person accommodation. They have commented that they would not prioritise this site above that of other sites with the potential to provide family accommodation in the town.

3.1.9 Enquires have been made of the PFI team regarding the possibility of incorporating this land into the PFI proposal. They have commented that this land cannot now be incorporated in to the PFI proposal, as it was not included in the Council’s Expression of Interest in January. In light of these comments, there is no logical reason to depart from the recommendation to dispose of the Northwood Road property.

3.3 Choices (Options)

3.2.1 The Council could choose to retain all of these assets. The assets are not presently utilised by this Council and incur holding costs. Some property is likely to deteriorate physically attracting further incidents of vandalism, anti social behaviour and giving minimal benefit to local residents. The opportunity to generate early capital receipts would not be realised.

3.2.2 The Council could choose to dispose of the vacant property at three locations, but retain and seek alternative funding sources to develop the site at Northwood Road and convert and return the vacant shop at 23 Valley Road to the housing stock of the Council. In the present financial climate, this is unlikely to be achievable.

3.2.3 The Council could choose to dispose of the assets set out in the appendices. Significant capital receipts would be generated and some continuing revenue liabilities would be eliminated.

4. Implications (including financial implications)

4.1 Policy

4.1.1 There are none.

4.2 Resources and Risk

4.2.1 Capital: The disposal of the property identified is likely to generate substantial capital receipts. These would help to fund the capital programme of this Council and reduce the need for borrowing.

4.2.2 Revenue: The sale of this surplus property would eliminate holding cost liabilities related to security, maintenance and business rates. There will be officer time incurred in the disposal of this property (Asset Management &
Legal). Depending upon the precise method of disposal in each case, there could be external fees to pay to agents or auctioneers.

4.2.3 Property would be disposed of at the best value that could be currently obtained in the market. Market conditions, particularly the level of demand, may be subject to change and this represents a risk in achieving satisfactory sales within financial year 2010/11.

4.3 Legal

4.3.1 The legal implications and relevant statutory provisions are detailed elsewhere in this report.

4.3.2 Local authorities are generally under a duty to comply with Section 123(2) of the Local Government Act 1972 which requires that "Except with the consent of the Secretary of State a Council shall not dispose of land under this section, otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained." Section 123 issues are addressed in the body of this report, specifically within 4.2.3 above.

4.4 Equality

4.4.1 There are none. The land and property is vacant and is not open to the public.

4.5 Consultees (Internal and External)

Ward Councillors
Housing, Neighbourhood Environmental Services, Regeneration & Growth and Planning Departments

4.6 How the Proposals deliver Priority Outcomes

4.6.1 Priority 1: The disposal of underutilised sites will contribute to reducing fly-tipping and vandalism making Northampton a cleaner, safer and greener place to live.

4.6.2 Priority 5: Delivery of a property disposal programme would reduce the overall property holdings of the Council to help optimise the asset base, manage down maintenance liabilities and limit related overheads. Disposals would (a) generate capital receipts to support wider corporate objectives and (b) offers the opportunity for the Council to choose to selectively reinvest in a core group of higher quality operational and revenue generating assets.

4.7 Other Implications

4.7.1 There are none specifically.
5. Background Papers

5.1 The Corporate Plan (2010 – 2013)

5.2 Corporate Asset Management Strategy (2010 –2013)

Adrian Daniell, Principal Estates Officer, x8762
# Appendix 1 – Disposals

<table>
<thead>
<tr>
<th>Asset address</th>
<th>Fund / Budget (HRA / GF)</th>
<th>UARN</th>
<th>Vacant</th>
<th>Description</th>
<th>Building Size sq m</th>
<th>Indicative Size Ha</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land adjacent to Exeter Place</td>
<td>To be clarified</td>
<td>60978</td>
<td>Yes</td>
<td>Grasped area providing low quality amenity space.</td>
<td>n/a</td>
<td>0.2321</td>
<td>Disposal</td>
</tr>
<tr>
<td>Queen Eleanor Road 51</td>
<td>HRA</td>
<td>60503</td>
<td>Yes</td>
<td>Vacant shop with living accommodation. Very poor condition.</td>
<td>63</td>
<td>0.0419</td>
<td>Disposal</td>
</tr>
<tr>
<td>Northwood Road (former) Garage Site</td>
<td>HRA</td>
<td>60200</td>
<td>Yes</td>
<td>Former garage site – all buildings demolished. No NBC Housing objectives identified.</td>
<td>n/a</td>
<td>0.05</td>
<td>Disposal</td>
</tr>
<tr>
<td>23 Valley Road</td>
<td>HRA</td>
<td>60532</td>
<td>Yes</td>
<td>Shop with flat above. Former tenant insolvent. Previous tenants have had trading difficulties. Likely to have higher capital value sold with vacant possession than as re-let investment premises.</td>
<td>67</td>
<td>0.0287</td>
<td>Disposal</td>
</tr>
<tr>
<td>40/42 Guildhall Road</td>
<td>General</td>
<td>60594</td>
<td>Yes</td>
<td>Most recently used as photographic studio. Property is likely to have higher value for re-conversion to residential than for re-letting for commercial use.</td>
<td>385</td>
<td>0.0173</td>
<td>Disposal</td>
</tr>
</tbody>
</table>

Plans for each asset are included in Appendix 2.
Appendix 2 – Plans

Title: Land at Exeter Place

Directorate of Planning and Regeneration
Northampton Borough Council

Drawn by: Marie Limd | Scale: 1:1250 | Date: 17.08.2010

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