

Appendices

2



Item No.

11

NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title

Property Disposal Programme 2010/11 – Various
Properties – Tranche 4

AGENDA STATUS:

PUBLIC

Cabinet Meeting Date:	15 Dec 2010
Key Decision:	Yes
Listed on Forward Plan:	Yes
Within Policy:	Yes
Policy Document:	No
Directorate:	Planning & Regeneration
Accountable Cabinet Member:	Cllr David Perkins
Ward(s)	Lumbertubs, Eastfield and Kingsley

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. Recommendation

- 2.1 That Cabinet approve the disposal of the freehold property identified in Appendices 1 & 2 of this report, being
- (a) Weston Favell Office
 - (b) Land at Wallace Road
 - (c) Land at rear of 85 Wheatfield Road

as the Fourth 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 4th November 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 together with those of all Borough Councillors and members of the public in relation to the land at Wallace Road and Wheatfield Road where site notices were placed. Comments have been received from Councillors in Boughton Green, Eastfield, East Hunsbury, Kingsley and Weston Wards. No other comments or objections have been received post the supply of requested information and no comments have been received from members of the public following the posting of site notices on 15th October and again on 12th November 2010.
- 3.1.4 Councillors in Kingsley Ward have not raised any concerns or objections to the proposed disposal of land at Wallace Road but have commented that should the land obtain a formal planning consent for residential development, off road parking should be provided. Councillors should note that any alternative use of the land is subject to the planning process, which addresses matters relating to parking for new developments.
- 3.1.5 Councillors in Eastfield Ward requested further information regarding the site at Wheatfield Road. This information was supplied on 28 September 2010, and Councillors have since commented that they have no objection to the proposed disposal.
- 3.1.6 Councillors in Boughton Green Ward have raised concerns over the land at Wheatfield Road being developed for use as a House in Multiple Occupation (HMO). There is unlikely to be demand for a HMO on this land as its area is relatively small which as a consequence limits the scope for development, but in any event this would be a matter for consideration in respect of planning.
- 3.1.7 Councillors in East Hunsbury and Weston Wards have raised concerns relating to the disposal of the Weston Favell Office. They have suggested that it could have an adverse impact upon any possible future plans for a comprehensive re-development of the wider area. Corporate Asset Board on 4th November considered the issue of the property's location adjacent to Lings Forum and the implications of this. There are no current plans in the short, medium or longer

term for the redevelopment of Council owned land in the locality. The land within Council ownership is essentially limited to (1) the land and buildings occupied by Lings Leisure Complex (including cinema) and (2) Weston Favell Office and associated car parking. Proposals are being advanced (subject to final cabinet approval) for the creation of an independent Leisure Trust in 2011. As a consequence of this proposal, it is likely that the Trust (if created) would enter into an agreement to operate and control Lings Forum Leisure Centre as part of an overall package of leisure facilities within the town. A lease agreement may be granted to the Trust for a period up to thirty years in length. The land and buildings occupied by Weston Favell Office and associated car parking will not form part of that agreement. The offices have been actively marketed and also offered to strategic partners for a significant period prior to the date of this report - on a letting basis. To date it has not been possible to attract a suitable occupier to take a lease of the building. The offices are of relatively modern construction and are generally in good condition. In the foreseeable future land values are unlikely to be sufficient to justify the demolition of these offices as part of any comprehensive re-development scheme involving other land. There are substantial holding costs for the Council (including business rates) from this property remaining vacant. The office accommodation strategy of the Council has been to consolidate its operations in fewer buildings, to maximise utilisation of space and reduce overall ongoing occupancy costs.

- 3.1.8 No concerns or objections have been received from Councillors in East Hunsbury and Weston Wards in relation to the proposed disposal of land at Wallace Road and Wheatfield Road.

3.2 Choices (Options)

- 3.2.1 The Council could choose to retain all three assets. The assets are not presently utilised by this Council to deliver services and incur holding costs. The property at Weston Favell is likely to deteriorate physically over time, which will increase the potential for vandalism and anti social behaviour. They are presently of no 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 land at two locations, but retain the land and buildings at Weston Favell to help facilitate a comprehensive redevelopment of land including Lings Leisure Complex at some future date. Given (a) the present Trust proposals relating to the leisure complex, (b) the continuing imbalance between the level of land values and high costs of re-provision of any leisure facilities that would almost certainly be required as part of any future comprehensive re-development scheme and (c) the absence in the foreseeable future of any likely grant or other public sector financial support to make any such proposals viable, this option could lead to the offices remaining unlet for a further significant period; incurring future holding costs and deteriorating physically over time.
- 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. It would be consistent with the Corporate Asset

Management Strategy 2010 –2013 and the identified need to manage down the total property holdings of the Council.

4. Implications (including financial implications)

4.1 Policy

4.1 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 the surplus property would eliminate holding cost liabilities related to security, maintenance, some limited utility costs and business rates. The costs of business rates and utility costs are considered to be in the region of £16,000 pa. The costs associated with maintenance, rubbish clearances etc are difficult to quantify due their reactive nature. The Council would lose an income of £11 pa from an electricity substation letting on the land at Wallace Road. There would be officer time incurred in the disposal of these assets (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, having due regard for obtaining the “best consideration” (as set out in 4.3.2 below). Market conditions, particularly the level of demand, may be subject to change and this represents a risk in achieving satisfactory sales within the next twelve months.

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.

4.4 Equality

4.4.1 There are none. The land and property is vacant and is not open to the public save for the land at Wallace Road that is designated as HRA land and not deemed as Recreational or Public Open Space. The sale of these properties would not disadvantage any section of the population disproportionately.

4.5 Consultees (Internal and External)

- 4.5.1 The views of Ward Councillors have been sought in each case. The following Ward Councillors were contacted as follows (a) Cllrs. Capstick and Mason in respect of Weston Favell Office by email on 12 November (b) Cllrs. Simpson and Taylor in respect of Wallace Road by emails dated 13,17 & 20 August and (c) Cllrs. Collins and Hawkins in respect of Wheatfield Road by emails 24,25, 28 September and 12 November.
- 4.5.2 All comments or concerns raised by Ward Councillors have been included within the body of this report prior to its publication. In the event that comments are received post publication of this report but prior to 15 December, those comments will be verbally reported to Cabinet.
- 4.5.3 The views of all Borough Councillors have been sought in each case. All Borough Councillors were contacted by email on 16th November.
- 4.5.4 All comments or concerns raised by other Borough Councillors have been included within the body of this report prior to its publication. In the event that comments are received post publication of this report but prior to 15 December, those comments will be verbally reported to Cabinet.
- 4.5.5 Members of the Public have had an opportunity to comment in relation to the proposed sales of vacant land at Wallace Road and Wheatfield Road. Site notices were posted on 15th October advising that the Council was considering the future of these land plots (including the option of disposal). Further site notices were posted on 12th November 2010 (post CAB meeting) advising of the date that Cabinet will consider disposal.
- 4.5.6 No comments have been received from the public in response to these site notices prior to the publication of this report.

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 the property disposal programme will 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) offer 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)

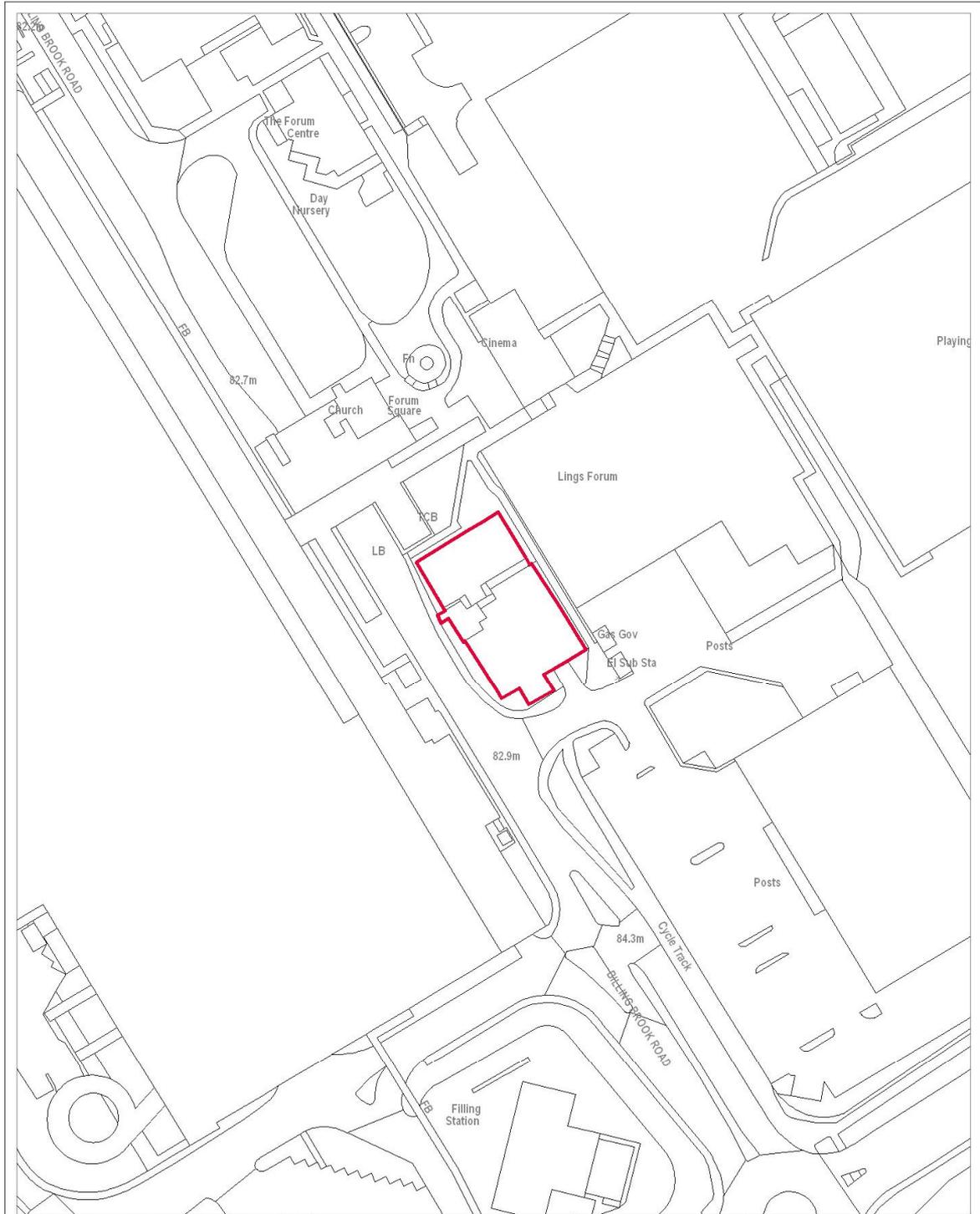
5.2 Corporate Asset Management Strategy (2010 –2013)

Adrian Daniell, Principal Estates Officer, x8762

Appendix 1 – Disposals

Asset address	Fund / Budget (HRA / GF)	UARN	Vacant	Description	Building Size sq m	Indicative Size Ha	Recommendation
Weston Favell Office	General	60311	Vacant	Offices and Car Parking	427m2	0.1066	Disposal
Land at Wallace Road (including electricity sub station)	HRA	No allocation	Vacant	Small parcel of amenity land with nominal income from electricity sub-station - special purchaser interest	N/A	0.024 (includes 0.0053 for the substation)	Disposal
Land at rear of 85 Wheatfield Road	HRA	No allocation	Vacant	Small parcel of former garden land, reserved out of 'right to buy'	N/A	0.0195	Disposal

Plans for each asset are included in Appendix 2.



Title: Weston Favell Office DWG No.

ESTATES & ASSET MANAGEMENT		Directorate of Planning and Regeneration Northampton Borough Council
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Title: Land at Wallace Road

DWG No.

**ESTATES & ASSET
MANAGEMENT**

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Directorate of Planning and Regeneration

Northampton Borough Council

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Title: Land at 85 Wheatfield Road

DWG No.

**ESTATES & ASSET
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Northampton Borough Council

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