

# Report to Executive

Agenda  
Item:

**A.9**

Meeting Date: 30 September 2013  
Portfolio: Finance, Governance and Resources  
Key Decision: No  
Within Policy and Budget Framework YES  
Public / Private Public

Title: **LAND AND PROPERTY TRANSACTIONS:-**  
1. **Disposal Programme – Land at Annetwell Street, Carlisle**  
2. **Land to the rear of Harraby Grove, Carlisle**  
Report of: **DIRECTOR OF RESOURCES**  
Report Number: **RD 41A/13**

## Purpose / Summary:

The Council is seeking to rationalise, consolidate and improve the performance of its property portfolio in support of the Carlisle Plan 2013/16. This Report seeks to further this ambition and requests Executive approval to the release and sale of 2 properties which have been identified for disposal in accordance with management policies set out in the Council's Asset Management Plan and the Asset Review Business Plan Disposal Programme. The commercially sensitive and financial aspects of the proposals are considered in Part B of this Report.

## Recommendations:

It is recommended that Executive consent is granted for the release and freehold disposal of the 2 properties set out in this Report, subject to the finalisation of terms and conditions agreed by the Property Services Manager.

## Tracking

Executive:	
Overview and Scrutiny:	
Council:	

## **1. BACKGROUND**

### **1.1. Asset Review Business Plan**

The Asset Review Business Plan was approved by full Council on 11 January 2011 (Report Reference CE39/10 refers). The Plan's objectives are to rationalise, consolidate and improve the performance of the property portfolio, with a programme of disposals over 4 years, originally aimed at realising capital receipts of £24million.

51 assets were identified for disposal between the financial years 2011/12 to 2014/15. To date the sale of 26 assets has been completed realising gross capital receipts of circa £5.442 million. Capital receipts will be used to fund reinvestment purchases and generate an additional £1 million in revenue, to support budgetary and efficiency savings, and help secure service delivery into the future.

Preparatory work is underway to bring forward the remaining asset sales over the next 2 years and Executive Members have been involved in a mid term review to take stock of the position in order to formalise and confirm the content of the programme for the next tranche of disposals.

### **1.2. Asset Management Plan and Statutory Considerations**

The Council's policy on the holding and release of assets for operational and non operational purposes is set out in the Asset Management Plan. In general terms the strategy provides for the disposal of all assets which are not required for service delivery, or social, economic or environmental benefits, or for longer term investment.

Surplus assets will be disposed of in the open market for the best price and in accordance with the provisions of Section 123 of the Local Government Act 1972, which imposes a statutory duty on the Council to sell property for the best consideration reasonably obtainable.

The method of sale, to ensure best price is achieved, will be influenced by the type and nature of the property involved, market circumstances and conditions, and purchaser supply and demand.

Sales will normally be undertaken by one or a combination of the following routes:

- Private treaty – with a special purchaser or on the open market.
- Public auction

- Formal or informal tender.

Sales will be conducted in accordance with the Council's property procedures and the Code of Conduct for dealing with planning matters.

## **2. PROPOSALS**

As part of the ongoing Disposal Programme and in order to dispose of surplus assets consent is sought for the release of 2 properties outlined below.

### **2.1. Land at Annetwell Street, Carlisle**

The release of this asset has been considered by the Executive on two earlier occasions; Report references RD 17/1 and RD 73/11 refer. The matter was deferred pending further clarification and information on the nature and terms of the sale, and the uncertainty which prevailed at the time around the continued use of the premises by the BBC, who were undertaking a internal review of their broadcasting services in the City. Now that the position on both issues has been resolved the matter has been brought back to the Executive for reconsideration.

The property subject to the disposal is situated on Annetwell Street, opposite the Castle and adjacent to Tullie House, identified edged red on the attached site plan Appendix I. The Council own the freehold interest in the land but, it is subject to a ground lease for 125 years originally granted to the BBC in 1993 for a premium payment of £60,000. The rent payable under the lease is a peppercorn without review and the buildings constructed on the site belong to the leaseholder. The BBC in a sale and leaseback transaction which took place in 2004 transferred their leasehold interest to Shardell Limited but, they remain in occupation through a sub lease.

Negotiations for the disposal of the Council's freehold interest have been undertaken with the current sitting tenant Graves (Cumberland Limited), who are special purchasers and provisionally agreed term for the sale are set out in Part B of this Report. A sale to Graves has the prospect of realising latent marriage value for the Council by joining up the freehold and leasehold interests. The position of the BBC under the sub lease from Graves remains unaffected by any potential transfer of the freehold.

### **2.2. Land to the rear of Harraby Grove, Carlisle**

The land is shown for identification purposes edged red on the attached plan Appendix I. It comprises an area of trees and scrub forming a buffer zone between

the rear of the houses on Harraby Grove and the adjoining Council allotment site. Following complaints from local residents, concerning fly tipping and issues over the security of their properties, the former Leisure Committee at its meeting on 25 February 1992 declared the land surplus to requirements and approved proposals to sell the land to local adjoining residents. A copy of the Report to the Leisure Committee LS 32/92 is attached for information as Appendix II to this Report. Since 1992 despite extensive negotiations and discussions with individual residents the sale of only one plot of land to the rear of Glen Tarras in 2007 has been successfully concluded. However terms have now been provisionally agreed for the sale of the remaining plots to two local residents but, due to the elapse of time since the original 1992 consents were granted, the Director of Governance has advised a further approval is required. This report seeks Executive consent to re-endorse the original approval granted in 1992 so that sales can take place in accordance with the terms set out in Part B of this Report.

### **3. CONSULTATION**

- 3.1.** The Asset Review Business Plan has been endorsed by full Council following an extensive period of consultation with stakeholders and Members. Ward Councillors have been advised of the proposals, no material comments or objections have been received but, if any arise prior to the Executive meeting, these will be notified to Members.

### **4. CONCLUSION AND REASONS FOR RECOMMENDATIONS**

- 4.1.** In order to more effectively manage the Council's operational and non operational assets, and to bring forward the strategic objectives set out in the Asset Review Business Plan and Asset Management Plan, it is recommended that the Executive declare these 2 properties surplus to requirements so that they can be sold in the market place. Selling these assets will generate capital receipts, further future opportunities to improve the performance of the portfolio, and reduce ongoing management and maintenance liabilities.

### **5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES**

- 5.1.** Capital receipts generated from sales will contribute to the attainment of the vision and actions set out in the Plan.
- 5.2.** The generation of increased revenue arising from the Asset Disposal Programme will assist the Council's capacity to continue the delivery of threatened services to its customers.

**Contact Officer: Raymond Simmons**

**Ext: 7421**

**Appendices  
attached to report:**

Appendix 1: - 2 Plans identifying the location and extent of the properties.

Appendix 2 :– Copy of the former Director of Leisure Report LS 32/92

**Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: CE 39/10; RD 17/11; Rd 73/11 and LS 32/92**

**CORPORATE IMPLICATIONS/RISKS:**

**Chief Executive's** - None

**Community Engagement** – None

**Economic Development** – None

**Governance** –Section 123 of the Local Government Act 1972, the Council may dispose of land held by it in any manner it wishes, save that it shall not dispose of land otherwise than by way of a short tenancy, for a consideration less than the best that can be reasonably obtained. This is subject to any restrictive covenants which bind the land and also subject to the proviso that it may not without the consent of the Secretary of State dispose of any land consisting or forming part of a public open space without first advertising its intention to do so and considering any representations received.

The relevant Government Circular guidance on the matter (General Disposal Consent (England) 2003) sets out that it is Government policy that Local Authorities should dispose of surplus land wherever possible. Again, the disposals should be at the best reasonable consideration.

**Local Environment** – Have been consulted over the proposals to sell the land at Harraby Grove

**Resources** – The financial implications of the Asset Management Plan and the Disposal Programme were included in the 2013/14 budget process and approved the disposal and

purchase of assets in order to generate additional revenue income. Refer to Part B of this report.

Ref No. 275

ASSET NAME:  
Annetwell Street  
ASSET ADDRESS:  
CARLISLE CA3 8UN  
Deed Nos.  
C.355; C.1109

ANNETWELL STREET

Salvation Army  
Citadel

ABBAY STREET

WES WAL

Scale: 1:500 Date: 07/11/2011

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CARLISLE  
CITY COUNCIL  
www.carlisle.gov.uk

Civic Centre  
Rickergate  
Carlisle  
CA3 8QG

Tullie House (Museum)

13

2

5

1 to 3

2

4

9

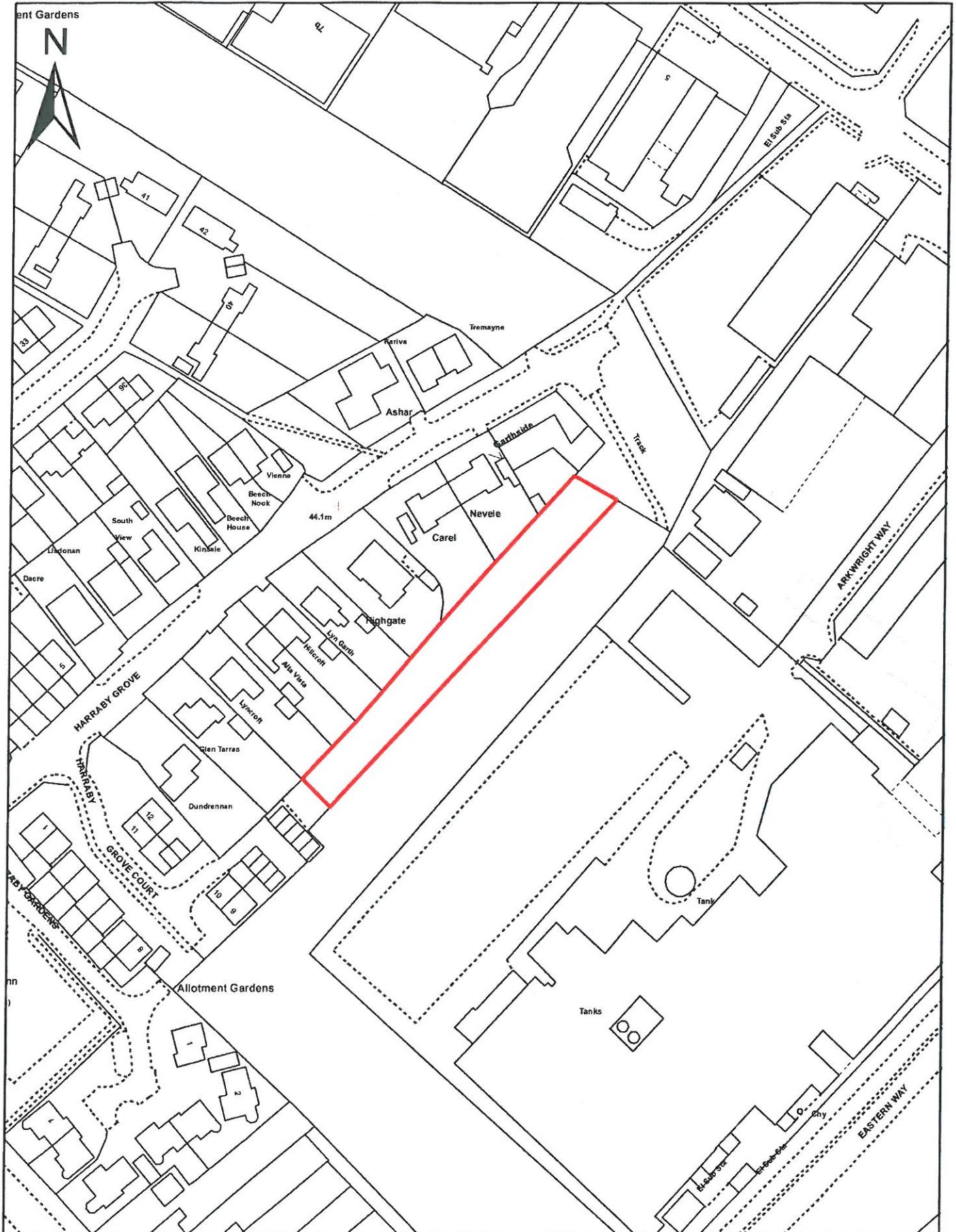
7

12

14

Walk





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Date: 06/09/2013

Scale: 1:1,250

**Land to the rear of  
 Harraby Grove Carlisle**

**CARLISLE  
 CITY COUNCIL**  
  
[www.carlisle.gov.uk](http://www.carlisle.gov.uk)

**Civic Centre  
 Rickergate  
 Carlisle  
 CA3 8QG**



Report to the Chairman and Members of :-

THE LEISURE COMMITTEE

Date of Meeting :-

24 February 1992

Public/Private \*

Policy/Operational Detail/Information

Delegated Yes/No

Report of:- DIRECTOR OF LEISURE SERVICES

Title :- SALE OF LAND AT REAR OF  
HARRABY GROVE, CARLISLE.

Report Reference:-  
LS. 32/92

## SUMMARY

To consider a request from residents of Harraby Grove to purchase an area of disused City Council land to the rear of their properties.

## RECOMMENDATIONS

It is recommended that the Committee:-

1. Declares the land to the rear of properties in Harraby Grove to be surplus to requirements.
2. Recommends to the Economic Development Committee that the land be sold to the residents of Harraby Grove.

Ward Council

## CITY OF CARLISLE

TO: THE CHAIRMAN AND MEMBERS OF  
THE LEISURE COMMITTEE  
24th February 1992

### SALE OF LAND AT REAR OF HARRABY GROVE, CARLISLE

#### 1. INTRODUCTION

- 1.1. A strip of land, 10 metres wide by 125 metres long, extends along the rear of properties situated on the south western side of Harraby Grove. The land is unused, and forms a buffer zone between the rear of the houses and the Mayfield Allotment Site. Residents of the houses have expressed concern to the Council that the land poses a threat to the security of their properties, possibly giving access to burglars. Complaints have also been received from residents in the past concerning the untidy condition of the land resulting from fly-tipping. The area is shown cross hatched on the attached plan.

#### 2. LAND USE

- 2.1. The land comprises trees and scrub, and its main purpose has always been considered to be the provision of a buffer zone between the allotment site, mainly consisting of pigeon lofts, and the rear of properties on Harraby Grove. The allotment tenants have been consulted as have the householders, and all are in favour of the proposal.

#### 3. CONDITIONS RELATING TO DISPOSAL

- 3.1. To avoid the City Council retaining small land-locked pieces of land, it is essential that all of the area is sold. Any areas remaining within the control of the City Council, due to householders not taking up the option to buy the land, or not agreeing to the terms of sale, would jeopardize the sale of the whole site. The land would be sold for use for gardening purposes only.

#### 4. SUMMARY

- 4.1. As both the householders and allotment tenants are in agreement that the buffer zone is no longer required, it is considered that the land is surplus to City Council requirements.

E. CARTWRIGHT  
Director of Leisure Services

jm/docs/cw/reports/harrabygro  
14th February 1992

