

# Report to Executive

Agenda  
Item:

**A.9**

Meeting Date: 29<sup>th</sup> June 2015  
Portfolio: Finance, Governance and Resources  
Key Decision: KD.21/15 refers  
Within Policy and Budget Framework: Yes  
Public / Private: Public

## Title: **LAND AND PROPERTY TRANSACTIONS**

### **1. Disposal Programme Refresh 2015 – surplus assets**

- (i) **Land at Sewell Place**
- (ii) **Site of former community centre at 226-228 Raffles Avenue and land adjacent**

Report of: **DIRECTOR OF GOVERNANCE**

Report Number: **GD.39/15**

### **Purpose / Summary:**

The Council is seeking to rationalise, consolidate and improve the performance of the property portfolio in support of the Carlisle Plan 2013/16. This report furthers this ambition and seeks Executive approval to the release and sale of two small parcels of surplus land and property at Raffles Avenue and Sewell Place, Carlisle, in accordance with management policies set out in the Asset Management Plan.

### **Recommendations:**

1. Executive consent to the disposal of land at Sewell Place and the site of the former community centre at 226-228 Raffles Avenue together with land adjacent on terms to be agreed by the Property Services Manager in consultation with the Portfolio Holder for Finance, Governance and Resources.

### **Tracking**

Executive:	<b>29<sup>th</sup> June 2015</b>
Overview and Scrutiny:	<b>n/a</b>
Council:	<b>n/a</b>

## **BACKGROUND**

### **1.1. Asset Review Business Plan – Disposals Programme**

The Asset Review Business Plan was approved by Full Council on 11<sup>th</sup> January 2011 (Report Ref: CE39 /10 refers). The Plan's objectives were to rationalise and consolidate the Property Portfolio, with a programme of disposals spread over four years, aimed at realising capital receipts of £24 million, with the capital receipts being used to generate an additional £1 million in rental income, fund investment, economic development and operational property purchases and to support budget and efficiency savings, and help secure service delivery into the future.

A refresh of the Disposal Programme was put to the Council's Executive on 21<sup>st</sup> July 2014 which updated the original programme, advised Members of the position of assets that had been put on hold, and put forward plans to bring forward potential housing development sites to meet the priorities of the Carlisle Plan and address future housing needs. The report was adopted as part of the Council's Policy Framework in September 2014.

The original Disposals Programme is now nearing the end of its 4 year anticipated lifespan, having exceeded target receipts for the assets sold. Due to progress, changing circumstances and emerging priorities in the Carlisle Plan 2013-16 and Submission Draft Plan 2015–30, Officers in consultation with Portfolio Holders have undertaken a review of the current Programme, and Report GD.20/15 was considered by the Executive on 1<sup>st</sup> June, will be considered by Resources Overview & Scrutiny on 18<sup>th</sup> June before being referred back to Executive on 29<sup>th</sup> June and Full Council on 14<sup>th</sup> July 2015.

### **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 on the open market for the best price and in accordance with the provision 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 also be conducted in accordance with the Council's property procedures and the Code of Conduct for dealing the planning matters.

## **2 PROPOSALS**

As part of the ongoing Asset Review Business Plan – Disposals Refresh 2015 and in order to dispose of surplus assets consent is sought for the release of 2 properties outlined below;

### **2.1 Disposal Programme Refresh 2015, Surplus Assets**

#### **(i) Land at Sewell Place**

This property comprises a former operational asset, which was used as allotments but is now amenity land with the exception of 2 allotment tenancies dating from 2001 and 2002 respectively. The site only has pedestrian access and is totally surrounded by houses both of which will severely restrict any development potential. Any sale of the site will need to take account of the existing tenancies. The site extends to 0.33 hectares (0.80 acres) and is shown for identification purposes edged black on the attached plan.

#### **(ii) Site of former community centre at 226-228 Raffles Avenue and land adjacent**

The property comprises a former operational asset, a community centre which has been vacant for a number of years, and has been declared surplus to operational requirements together with an area of grassed open space which sits adjacent. The site extends to approximately 0.17 hectares (0.42 acres) and shown for identification purposes edged black on the attached plan. The site has the potential for a small housing development and initial discussions are taking place to include this site within a wider affordable housing delivery project.

## **2.2 Financial Considerations**

It is anticipated that a small capital receipt will be received from the disposal of the 2 sites, the detail of which is financially sensitive information and out with the scope of this report.

## **3. CONSULTATION**

- 3.1 The Asset Review Business Plan and subsequent proposals to refresh the content of the plan were endorsed by Full Council following an extensive period of consultation with Stakeholders and Members. Further proposals to refresh the content of the Programme were discussed at the Asset Review Business Plan Officer Group and the Strategic Housing Development Group, and endorsed by Council in 2014. Further discussions and consultations have taken place with the Asset Review Business plan Officer Group and Strategic Housing Development Group with some Members have expressed views on particular assets. The outcome of the recent discussions and views has been incorporated into the latest proposals that were considered by Executive on 1<sup>st</sup> June, referred to Resources Overview & Scrutiny for comments on 18<sup>th</sup> June, before being referred back to Executive on 29<sup>th</sup> June and finally to Full Council on 14<sup>th</sup> July for approval.

Ward Members have recently been consulted on the proposed disposals, although no feedback has been received from them yet. Should any relevant comments be received prior to the date of this meeting, Members will be advised accordingly.

## **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 Executive declare these 2 properties surplus to requirements so they can be disposed of to generate capital receipts, further 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 Carlisle plan.

**Contact Officer:** Barbara Vernon

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**Appendices attached to report:** Two plans identifying the location and extent of the properties.

**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:** GD.20/15 Asset Review Business Plan – Refresh of Disposal Programme 2015

## **CORPORATE IMPLICATIONS/RISKS:**

**Chief Executive's** – None

**Deputy Chief Executive** – None

**Economic Development** – The Asset Disposal Programme represents an opportunity to provide new homes to meet an element of the significant need for new market and affordable housing identified in Carlisle's Strategic Housing Market Assessment (September 2014) thereby contributing to the delivery targets in the emerging Local Plan (2015 – 2030).

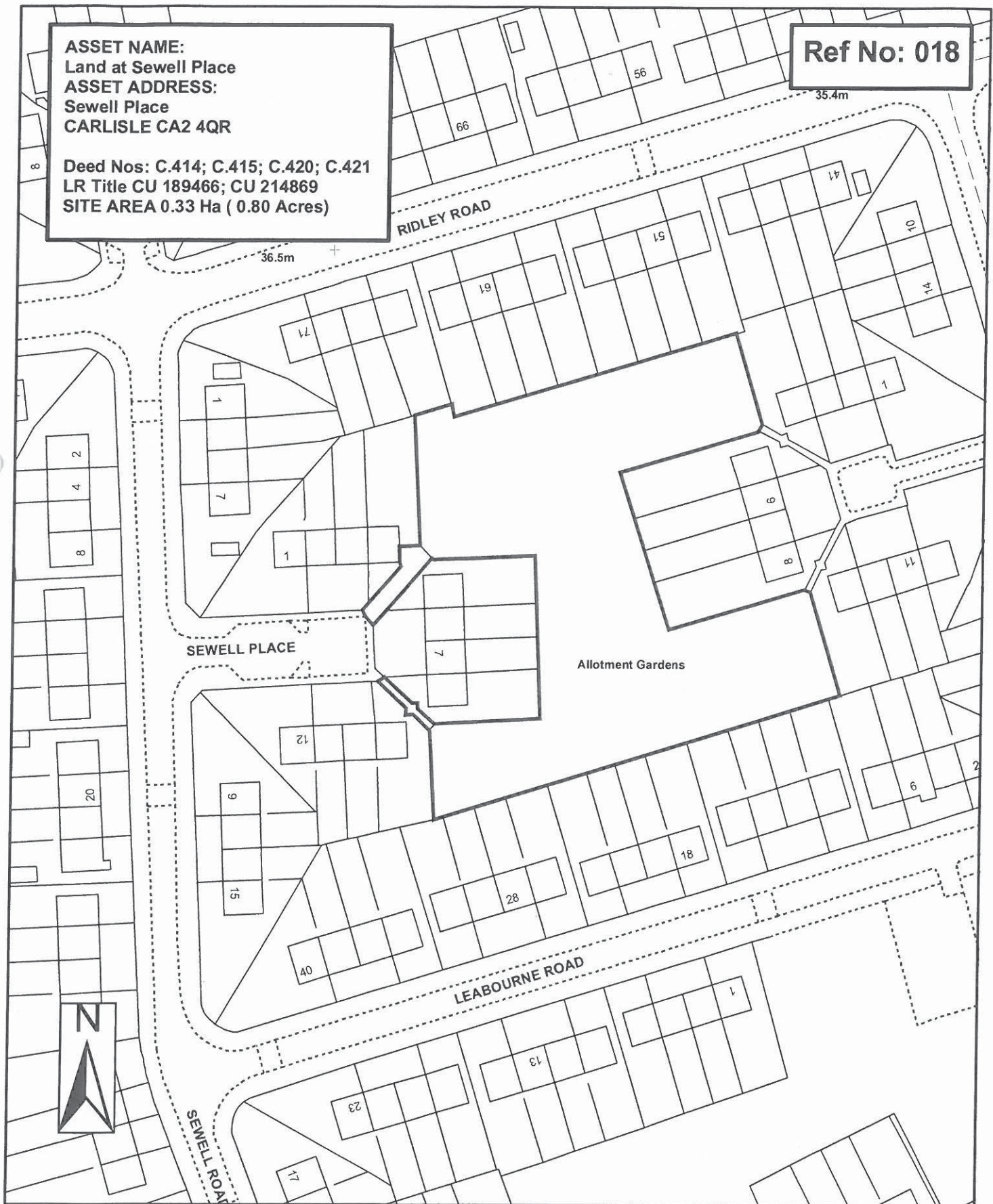
**Governance** – Under Section 123 of the Local Government Act 1972, the Council may dispose of land held by it in any manner it wishes, save that it shall not dispose of land otherwise than by way of a short tenancy, for a consideration less than the best that can be reasonably obtained. This is subject 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 Disposals 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** –None

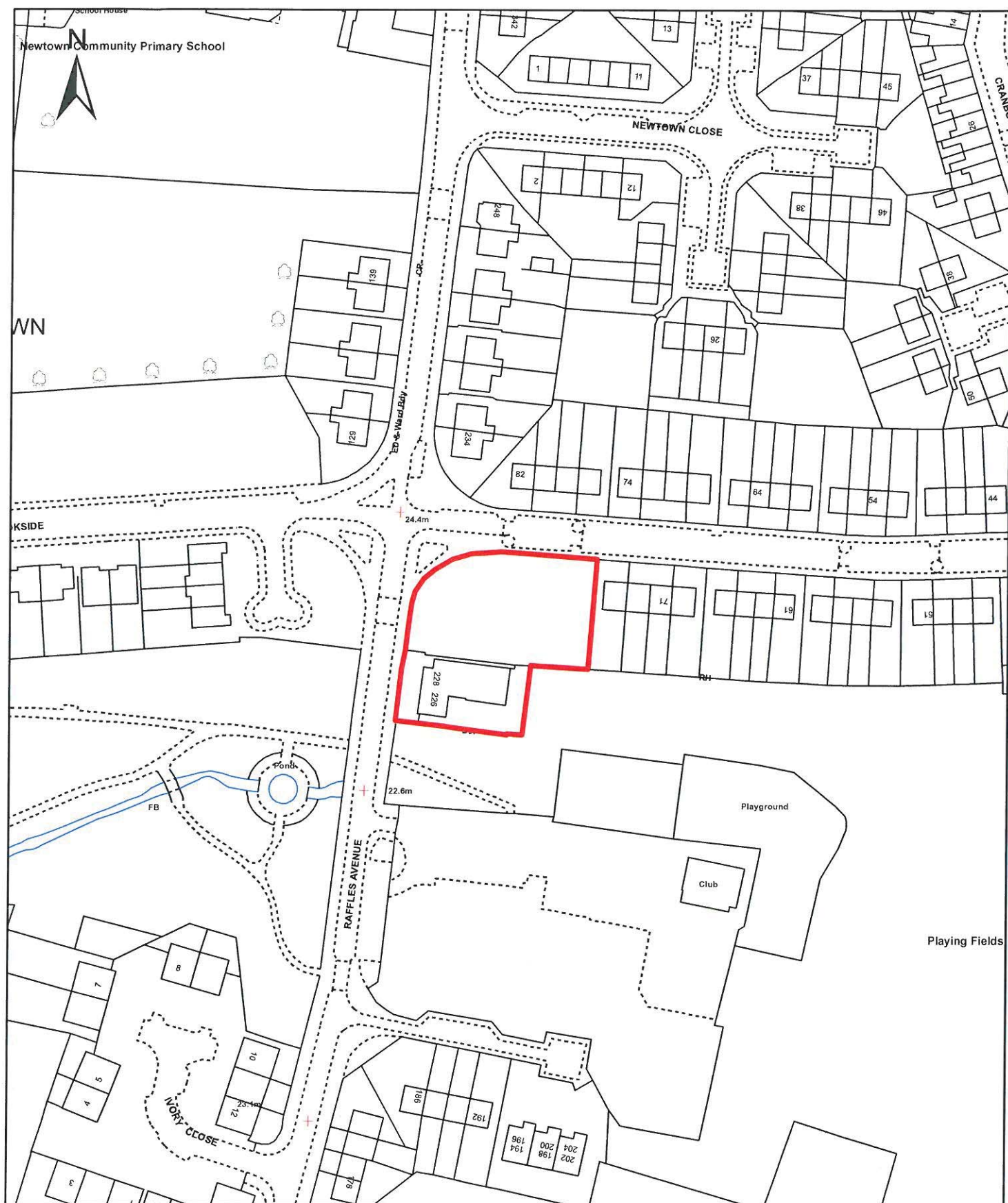
**Resources** – The Asset Disposal Programme is embedded within the Council's financial planning processes with these disposals expected to generate a small capital receipt for the Council.





## Residential Sites, Urban Area Carlisle

Scale: 1:875      Date: 04/03/2014  
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## Land at Raffles Avenue Carlisle

Date: 09/06/2015

Scale: 1:1,250

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