

# Report to Executive

Agenda  
Item:

**A.10**

Meeting Date: 31 May 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 – Whinnie House Road, Carlisle**  
2. **Staffield House, London Road**  
3. **Land adjoining 18 Suttle Close, Morton**  
Report of: **DIRECTOR OF RESOURCES**  
Report Number: **RD 16A/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 furthers this ambition and requests Executive approval to the release and sale of 3 properties which have been identified for disposal in accordance with management policies set out in the Asset Management Plan and the Asset Review Business Plan Disposal Programme. The commercially sensitive and financial aspects of the proposal 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 3 properties set out in this Report, subject to the finalisation of terms and conditions agreed by the Property Services Manager.

## Tracking

Executive:	<b>31 May 2013</b>
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 are involved in a mid term review taking 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 on 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 3 properties outlined below.

### **2.1. Whinnie House Road, Carlisle**

This is a non operational asset earmarked for disposal in the year 2014/15 but, having regard to the nature of the asset, it is appropriate to advance the sale within the programme. The property comprises land situated within Morton estate on the western side of Carlisle extending to 0.4335 hectares or thereabouts shown identified on the plan attached to this Report. The Council's interest in the site is freehold, subject to a long leasehold interest to Hanover Housing Association which expires in 2071. The site is let at a low ground rent which is subject to infrequent reviews. Hanover Housing Association have developed the site for residential purposes with a 30 bed sheltered housing unit. The property will be sold freehold subject to the existing lease.

### **2.2. Staffield House**

Staffield House is an operational asset comprising 2 interlinked traditionally built 3 storey Victorian houses situated to the south of the City centre on London Road. It is run as a Women's and Family Hostel for short term accommodation prior to re housing and is shown identified on the plan attached to this Report. A new replacement facility situated on Water Street is currently under construction, completion is anticipated in June and, following this Staffield House will be vacated with the residents transferred to the new Hostel. The Council has no requirements for the premises once they become empty, at which point void costs will start to be incurred, and in order to minimise liabilities it is proposed to advertise and market the freehold property for sale with vacant possession as soon as practically possible.

### **2.3. Land Adjoining 18 Suttle Close, Morton, Carlisle**

The owner of 18 Suttle Close has made an approach to the Council to purchase a small strip of City Council owned land adjoining his property in order to incorporate it into his garden. The land is shown identified on the plan attached to this Report. It is rectangular in shape, approximately 4m in width and runs the length of the garden for approximately 30m. Since 1977 the land has been licensed and occupied by the owner of 18 Suttle Close as part of his garden and is separated from the adjoining property by a low brick wall. The Council has no use or requirement for the land and in the circumstances it is proposed to transfer the freehold interest in the land to the occupier of No 18 Suttle Close.

## **3. CONSULTATION**

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.

The review of the Women & Family Hostel provision has been endorsed by full Council following an extensive period of consultation with stakeholders and Members.

No further consultation is proposed however, where properties are let on lease, tenancies or licence, as part of the marketing and disposal process any sitting tenants will be informed of the Council's intention to sell. Where appropriate details of the method of sale and selling agents appointed to act on the Council's behalf, will be provided to afford all interested parties an opportunity to bid.

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

- 4.1. In order to more effectively manage Council 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 3 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.

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**Appendices**            3 Plans identifying the location and extent of the properties.  
**attached to report:**

**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:**

- **None**

### **CORPORATE IMPLICATIONS/RISKS:**

**Chief Executive's -** None

**Community Engagement –** Have been consulted

**Economic Development –** Have been consulted

**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 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.

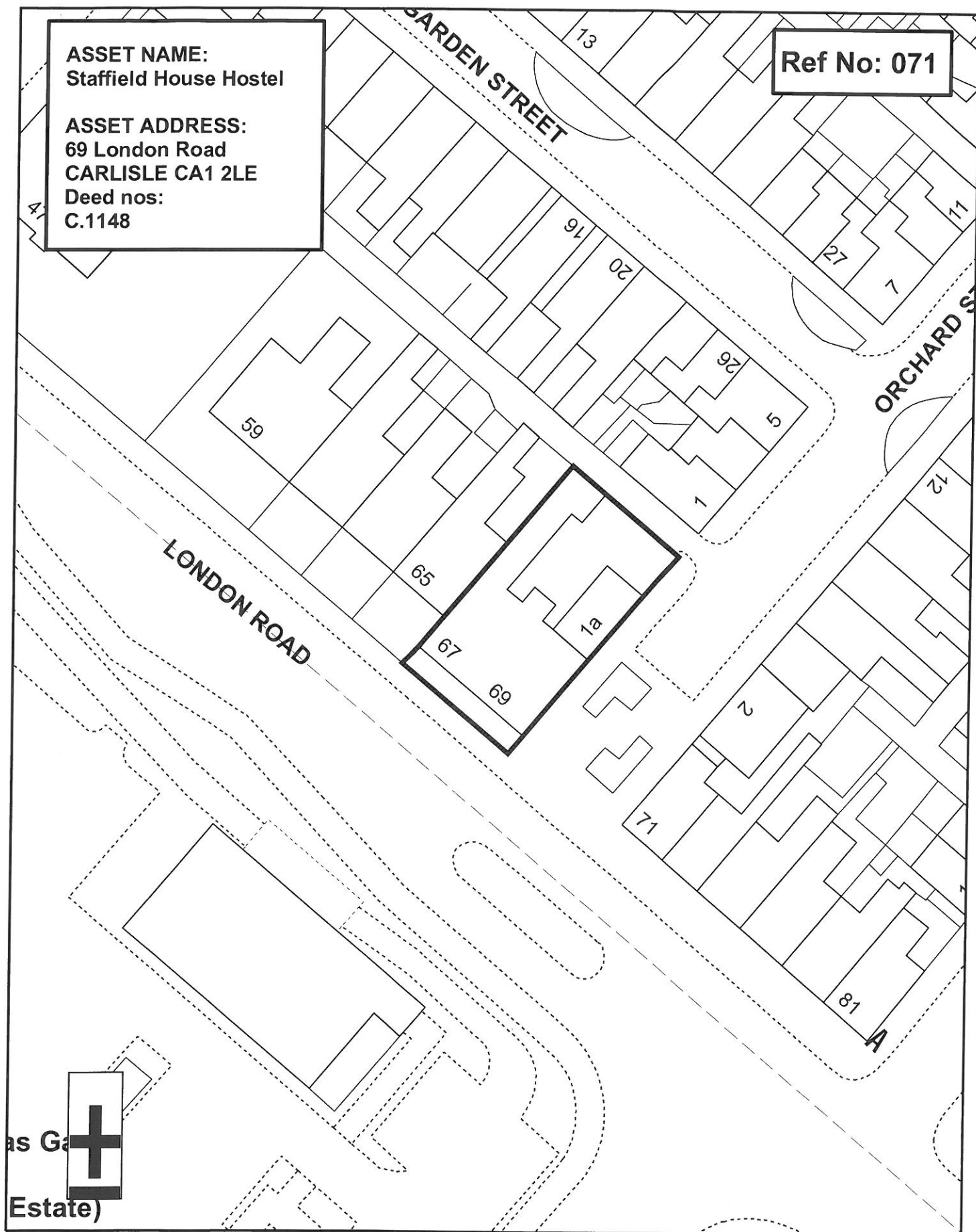
#### **Local Environment – None**

**Resources** - The financial implications of the Asset Management Plan and 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.

**ASSET NAME:**  
Staffield House Hostel

**ASSET ADDRESS:**  
69 London Road  
CARLISLE CA1 2LE  
Deed nos:  
C.1148

**Ref No: 071**







**ASSET NAME:**  
Land at Whinnie House Road

**ASSET ADDRESS:**  
Whinnie House Road, Morton  
CARLISLE CA2 6TG

**Deed nos: C.282**

**Ref No: 248**

