

North Tyneside Council

Report to Cabinet

Date: 16th April 2012

ITEM 8(a)

Title: Property
Considered Surplus to
Council Requirements

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| Portfolio(s): Elected Mayor Finance Housing | Cabinet Member(s): Mrs Linda Arkley Councillor Judith Wallace Councillor Paul Mason |
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Report from Directorate: Finance and Resources

Report Author: Fiona Rooney (Tel 0191 6435724)
Strategic Director of Finance and Resources

Wards affected: St Mary's
Tynemouth
Longbenton
Wallsend
Whitley Bay
Cullercoats

PART 1

1.1 Purpose:

A number of Council owned properties have been identified for consideration as being surplus to requirements and available for sale. Any capital receipts obtained will contribute towards funding the Council's Capital Plan.

This report advises Cabinet on the properties identified and seeks approval to the recommendations made.

1.2 Recommendation(s):

It is recommended that Cabinet:-

- i. declares the properties detailed in the schedule attached to this report as Appendix 1, surplus to Council requirements and available for sale by an appropriate method of marketing;
- ii. authorises the Senior Manager - Strategic Property (Estates and Valuation), in consultation with the Elected Mayor, to make minor amendments to the boundary of each property detailed in the schedule if necessary, as permissible within the scope of the Council's legal powers and/or as land owner;

- iii. grants delegated authority to the Senior Manager - Strategic Property (Estates and Valuation), in consultation with the Strategic Director of Finance and Resources, the Head of Legal, Governance and Commercial Services and the Elected Mayor, to market each property and to accept the best bid consistent with the planning guidelines, where these are applicable;
- iv. grants delegated authority to the Senior Manager - Strategic Property (Estates and Valuation), in consultation with the Strategic Director of Finance and Resources, the Head of Legal, Governance and Commercial Services and the Elected Mayor, to agree a minimum sale price acceptable to the Council in advance of an auction, where it is considered that this is the most appropriate method of sale for a property;
- v. grants delegated authority to the Senior Manager - Strategic Property (Estates and Valuation), in consultation with the Strategic Director of Finance and Resources, the Head of Legal, Governance and Commercial Services and the Elected Mayor, to agree the final terms of disposal if it is considered appropriate to sell a property by private treaty, subject to the sale price being considered best value;
- vi. grants delegated authority to the Senior Manager - Strategic Property (Estates and Valuation), in consultation with the Strategic Director of Finance and Resources, the Head of Legal, Governance and Commercial Services and the Elected Mayor, to complete negotiations for the sale of each property in accordance with all relevant legal requirements, the Council's Constitution and Financial Regulations;
- vii. grants delegated authority to the Senior Manager - Strategic Property (Estates and Valuation) to deal with all ancillary matters arising that are consistent with the preceding recommendations.

1.3 Forward plan:

The report is identified in the Forward Plan for the period 1 April 2012 to June 2012.

1.4 Council plan and policy framework:

This report relates to the Capital Plan contained within the Council's Budget 2012/13.

1.5 Information:

Attached to this report as Appendix 1, is a schedule of property that is considered surplus to Council requirements and suitable for making available for sale. Supplementary plans are attached to Appendix 1 showing the boundary of each property by way of dark outline.

Property 1 is a vacant former cemetery lodge which is considered suitable for residential refurbishment or, alternatively, for a business use that is complementary to its location.

Property 2 is located adjacent to private business premises that were formerly occupied by a kitchen manufacturing company. The owner of the site would like the possibility of proposing a development scheme for an assembled site, including the Council's land. A proposal comprising a nursing home, doctor's surgery and crèche

facility is currently being considered, but an alternative proposal may subsequently be forthcoming. If a scheme can be provisionally agreed that is acceptable to the Council, the proposal will be to negotiate a sale of the Council's land by private treaty, subject to the eventual sale price being considered best value.

Property 3 is the site of a former sheltered housing unit known as Somervyl Court. This building has now been demolished and it is proposed that the site is now marketed by advert for sealed bids for residential purposes.

Property 4 is the Council's Customer Services and Housing Office in Wallsend that is being relocated to new premises within the Forum Shopping Centre. The building is no longer considered appropriate for any alternative use by the Council. It is proposed to sell the property for either residential redevelopment or for an alternative, appropriate town centre use.

Property 5 is a shop property that is likely to be vacated shortly. As it is within an area of limited Council ownership with only a moderate rental potential it is considered appropriate for disposal. It is envisaged that it will attract interest for its existing use or for conversion to residential use.

Property 6 is also a shop property with residential accommodation above. The shop has remained vacant for a number of years despite ongoing marketing and is therefore considered suitable for disposal. As with Property 5, It is envisaged that it will attract interest for its existing use or for conversion to full residential use.

1.6 Decision options:

1. To approve the sale of all of the properties detailed in the schedule at Appendix 1.
2. To approve the sale of some of the properties detailed in the schedule.

1.7 Reasons for recommended option:

The recommended option, Option 1, is considered the best way to achieve the level of capital receipts required to support the Council's Capital Plan 2012/13, and to deliver housing and business opportunities within the Borough.

1.8 Appendices:

Appendix 1: Schedule of properties together with supplementary plans.

1.9 Contact officers:

Niall Cathie – Property Strategy Manager – Tel. 0191 643 6517
Anthony Gollings – Finance Business Manager supporting Finance and Resources
Tel. 0191 643 8071

1.10 Background information:

Property ownership records.
Council Capital Plan, and Housing Capital Plan 2011/2012.

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The capital receipts from the sale of Council owned properties will go towards funding the Council's Capital Plan. Details of the specific designation for each receipt are detailed in the schedule attached as at Appendix 1.

2.2 Legal

All normal and relevant procedures and legal requirements reflecting the respective land use of these properties will need to be followed to dispose of each property.

2.3 Consultation/community engagement

Internal consultation has been undertaken between relevant officers and Cabinet Members.

Relevant Ward Members have been advised of the intention to seek approval to these properties being declared surplus to Council requirements by notification in the Member's Newsletter.

Where a property is brought forward for redevelopment, there will be the opportunity for members of the public to express their views through the normal planning procedure.

2.4 Human rights

There are no human rights issues arising from this report.

2.5 Equalities and diversity

There are no direct equality and diversity implications arising from the report.

2.6 Risk management

Risks associated with this disposal strategy have been considered. At this stage, it is felt no specific risk needs to be added to the Directorate risk register.

2.7 Crime and disorder

Where a property is brought forward for redevelopment, crime and disorder issues will be considered as part of the normal planning procedure.

2.8 Environment and sustainability

Where a property is brought forward for redevelopment, environment and sustainability issues will be considered as part of the normal planning process.

PART 3 - SIGN OFF

- Strategic Director(s) X
- Mayor/Cabinet Member(s) X
- Chief Finance Officer X
- Monitoring Officer X
- Strategic Director with Responsibility for Community Engagement X

Report author Fiona Rooney – Strategic Director of Finance and Resources