

Wards Affected:

Olney

ITEM 5

DELEGATED DECISION

14 FEBRUARY 2017

DISPOSAL OF FORMER HIGHWAYS STORAGE DEPOT, WOAD CORNER, NEAR OLNEY

Responsible Cabinet Member: Councillor Middleton (Cabinet member for Resources and Innovation)

Report Sponsor: Kamran Rashid (Capital Programme Director)

Author and contact: Ed Palmieri (Interim Head of Property and Facilities Management) - Tel: 01908 254967.

Executive Summary:

To give approval to dispose of the Woad Corner site in Newport Pagnell, a former Highways storage depot surplus to Council requirements.

Disposing of surplus property is a key deliverable of the SMART Property Programme to support cost reduction across the Council and create capital receipts.

SMART Property is one of the initiatives in the Financial Sustainability Plan and Medium Term Financial Strategy October 2016.

1. Recommendation

- 1.1 That the disposal of the freehold interest in the former Highways Storage Depot Woad Corner, Newport Pagnell, be agreed.
- 1.2 That the property is marketed to achieve Best Consideration as required by Section 123 Local Government Act 1972.
- 1.3 That the Interim Head of Property and Facilities Management, in consultation with the Corporate Director Place and the Cabinet member for Resources and Innovation, be authorised to evaluate offers received and to accept the offer that represents the Best Consideration (unless none of the offers are suitable), then to instruct Legal Services to proceed with the sale and to agree variations to the terms of disposal outlined in this report as reasonably necessary to secure the Council's objectives of disposing of the site

2. Issues

Background

- 2.1 The site extends to 1.6 acres approximately comprising an open site with hard standing formerly used by the Council as a Highways storage site, now surplus to requirements.

- 2.2 The site is designated as open countryside in the Local Plan and is outside the settlement boundary on the adopted Neighbourhood Plan. Nevertheless there is the potential for a housing development on the site subject to planning consent and marketing the site for disposal will establish any potential interest for development.
- 2.3 Part of the site is currently let to the adjoining occupier for use as a car park on a lease from 1 December 2015 to 30 November 2020 at a rent of £4,500 per annum. There is a mutual rolling lease break clause which enables either side to bring the lease to an end on three months prior notice.
- 2.4 The estimated current use value of the site is in the region of £200,000 although sale values are likely to be much higher than this where planning consent for housing development is forthcoming. The Council is required to obtain Best Consideration for a disposal of its land as per s.123 of the Local Government Act (LGA) 1972 and marketing the site for current and alternative uses is the best way of meeting this requirement.
- 2.5 A sale on the basis of future development potential is most likely to be conditional on planning consent being obtained by the purchaser and this will require the Council to enter into a conditional contract for sale.
- 2.6 The proposed disposal was approved by the Strategic Property & FM Board in March 2016.

3. **Options**

3.1 Option 1

The Council disposes of the site for Best Consideration as per s.123 of the LGA 1972. This is recommended.

3.2 Option 2

To do nothing and forgo the receipt. This is not recommended.

4. **Implications**

4.1 Policy

The Council is under no obligation to dispose of its land however doing so for Best Consideration has the benefit of a capital receipt for otherwise surplus property.

Tackling homelessness is the headline priority within the Council Plan 2016/20 which states that to successfully tackle homelessness an approach including improved housing availability is needed. In accordance with this the site was appraised by YourMK for a social housing development but it was decided not to be suitable, given the location and lack of public transport facilities.

4.2 Resources and Risk

There is no financial reason not to agree to a disposal for Best Consideration and by proceeding as recommended the Council will obtain a capital receipt. A

disposal will mean the Council forgoes the rent receivable under the lease. The capital receipt from the disposal will be used to support financing of the capital programme. Such receipts cannot be used for revenue expenditure. A disposal will mean the rental income is forgone although this is not a substantial income.

Y	Capital	Y	Revenue	N	Accommodation
N	IT	Y	Medium Term Plan	Y	Asset Management

4.3 Carbon and Energy Management

There are no significant Carbon and Energy management implications, over and above those resulting from the construction of a development on the site.

4.4 Legal

The Council has power to sell its land on the open market. An open marketing process helps to meet the Council's duty under section 123 of the Local Government Act 1972 to obtain the 'best price reasonably obtainable'.

The Council's Acquisition and Disposal of Land and Buildings Procedural Rules require that a valuation is undertaken to support the decision to dispose of the property and that consultation with the Ward member(s) and Parish and Town Council(s) has taken place before the disposal of land and buildings in their area and that any disposal will usually be advertised in an appropriate publication.

4.5 It is recommended that a title check is made prior to marketing the property to ascertain if there are any covenants or restrictions to the disposal and or use. And to seek any releases, consents or title indemnity insurance as may be required.

4.6 Other Implications

N	Equalities/Diversity	N	Sustainability	N	Human Rights
N	E-Government	N	Stakeholders	N	Crime and Disorder

Background Documents: None

Annex: Site Plan