

Wards Affected:

Woughton and
Fishermead

ITEM 6**DELEGATED DECISION****14 FEBRUARY 2017****DISPOSAL OF THE OLD RECTORY AND STABLES, WATERSIDE, PEARTREE BRIDGE**

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

Report Sponsor: Kamran Rashid (Capital Programme Director)

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Executive Summary:

To give approval to dispose of the Old Rectory and Stables which is surplus to the Council's 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 Old Rectory and Stables Waterside, Peartree Bridge, 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 comprises a Grade 2 listed former house with stables and outbuildings and within the grounds there is a moat which is listed as a Scheduled Ancient Monument.
- 2.2 The site is designated in the Local Plan as a Scheduled Ancient Monument and Wildlife Corridor and extends to 2.43 acres.

- 2.3 The site is used as art workshop accommodation and last year the tenant's lease ended, they decided not to renew the lease and move elsewhere to more suitable premises. That lease was at a peppercorn rent. The tenant is currently still in occupation by mutual agreement with the Council on a temporary basis from December 2016 via a Tenancy at Will which enables either party to end the occupation and as before there is no rent payable.
- 2.4 The condition survey identified the need to spend at least £118,000 on essential repairs and maintenance and additional costs would be incurred to convert the accommodation into alternative use. Conversion costs could be considerable and are likely to restrict alternative uses for the property. Also the Grade 2 listed status of the property will mean some uses may not be permissible.
- 2.5 The former house does not readily lend itself to conversion to alternative uses; access to parts is far from ideal and there is also limited headroom. Prospects of finding another tenant on attractive letting terms will be limited given this as well as the condition of the property, costs to repair and convert and restrictions on alternative uses. The Council does not have a requirement to use the property which is therefore surplus. Older properties such as this tend to be costly to repair and maintain and with limited letting prospects, disposal is the recommended option.
- 2.6 The estimated current use value of the site is in the region of £700,000. 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 is the best way of meeting this requirement.
- 2.7 A sale on the basis of a different use may be conditional on planning consent being obtained by the purchaser and this will require the Council to enter into a conditional contract for sale.
- 2.8 The proposed disposal was approved by the Strategic Property & FM Board in October 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 primarily due to the listed and Schedule Ancient Monument status of the site.

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 and forgo the need to spend large sums on essential repairs and maintenance. The capital receipt from the disposal will be used to support financing of the capital programme. Such receipts cannot be used for revenue expenditure.

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