


Agenda Item No:	7	
Committee:	CABINET	
Date:	20 th January 2022	
Report Title:	PROPOSED DISPOSAL OF PROPERTY ASSETS	

PART 1 – PUBLIC DOCUMENT

1.0 Purpose / Summary:

The purpose of this Cabinet report is to confirm that the properties listed in Appendix 1 are surplus to the Council's requirements and recommended for disposal.

2.0 Key issues:

- 2.1 The Council faces stark choices regarding funding the services it delivers, compounded by continuing pressures on its budget and the need to become much more commercial in its approach.
- 2.2 To support the Council's aspirations and the future capital programme it is necessary to dispose of surplus assets which the Council owns.
- 2.3 15 sites (low value and/or challenging sites) from the surplus land register have been identified as suitable for disposal. These sites have been identified and described at Appendix 1.
- 2.4 These proposed sites have been considered alongside the emerging Investment Strategy and are not considered to meet the current criteria for retention.

3.0 Recommendation:

Members are requested to consider the report and it is recommended that:

- 3.1 Members approve the list of sites listed at Appendix 1 to this report as surplus and recommended for disposal.
- 3.2 If Members agree to the above recommendation, then it is further requested that authority to determine:
 - a) the method and terms of sale either by way of auction, by openly marketed private treaty or by special purchaser private treaty and
 - b) the reserve price at auction, or acceptance of an offer pre or post auction or the acceptance of an offer to purchase by private treaty

is delegated to the Corporate Director and Chief Finance Officer in consultation with the Leader of the Council and Portfolio Holder for Economic Growth in respect of properties where the likely and actual sale price exceeds the existing delegated authority of the aforementioned Officers and Members

Wards Affected	Various
Portfolio Holder(s)	Cllr Chris Boden – Leader & Finance Portfolio Holder Cllr Ian Benney – Portfolio Holder for Economic Growth & Assets
Report Originator	Peter Lapham– Interim Disposals Surveyor Peter Catchpole – Corporate Director and Chief Finance Officer
Background Paper(s)	None

Report: PROPOSED DISPOSAL OF PROPERTY ASSETS

4.0 Background/Introduction:

- 4.1 In order to support the Council's aspirations, mitigate budget constraints and fund the future capital programme it is necessary to dispose of surplus assets which the Council owns but no longer requires to deliver its core services and functions, or to develop itself. This is a rationale already agreed previously by Members via the adopted Asset Management Plan.
- 4.2 Officers are tasked with preparing such surplus sites for disposal and have previously opted to dispose of such sites by private treaty. Unfortunately, private treaty disposals often become protracted over many months, either by unknown site impediments, third party claims to rights of way or buyers seeking to renegotiate or withdraw from the sale. Such unforeseen difficulties increase the amount of officer time required to resolve such matters and increase the amount of time from preparing the site for sale to receiving the capital receipt.
- 4.3 There are some sites that Officers will still consider selling on a private treaty basis, where for instance, securing planning permission could provide a worthwhile increase to the capital value of the site, or where a "special purchaser" situation exists.
- 4.4 As an alternative disposal option or where surplus sites may have limited development potential or suffer from obvious impediments, commercial property auctions offer a cost-effective method of realising a capital receipt at 'best consideration' without the delays often attributed to private treaty disposals. Commercial property auction is considered the best option to optimise value at low cost and upon the fall of the hammer a purchaser is 'locked in' as contracts for sale exchange when the hammer falls and a deposit is taken from the purchaser in the auction room (usually 10% of purchase price). On occasion, early offers or post auction offers, if a property fails to meet its reserve price, can be negotiated and accepted, and the Purchaser is required to sign the auction contract under auction conditions, again providing the same benefit of an immediate exchange as would be achieved in the auction room.
- 4.5 The selected sites have been chosen from the list of surplus sites, some having been approved by the previous Cabinet. They are not regeneration or strategic sites and of the 15 only 1 site generates an income which is of a nominal sum. The sites do not fit existing or emerging policy criteria for retention and therefore are appropriate for disposal.
- 4.6 This report therefore seeks Cabinet's approval for the disposal of 15 surplus assets with the delegation of the method of disposal, acceptance of offers and setting of reserve

prices to the Corporate Director and Chief Finance Officer in consultation with the Leader of the Council and Portfolio Holder for Economic Growth.

5.0 Proposal:

- 5.1 A list of 15 surplus sites have been identified as suitable for disposal. These sites have been identified and described at Appendix 1. Each property will be considered on its own merits, considering current and future development potential and use, likely purchasers, authorised and unauthorised third-party rights, access arrangements and likely proceeds. This will inform an Officer recommendation to submit for delegated approval as to the method of sale, whether the Council should submit a planning application to sell with a consent and additionally whether any form of overage is to be placed upon a sale.
- 5.2 Previous Cabinet reports submitted in June 2018 and June 2019 list a number of sites including some of which are listed here in Appendix 1. Approval was sought for various site-specific methods of sale across the list of properties and also sought approval for reserve prices. To provide clarity and update approvals, the list in Appendix 1 sets out all properties that are under current consideration for sale. The recommendation in paragraph 3.2 for delegation of all other matters allows a dynamic process to be adopted, able to adapt to any changes in planning policy, site impediments, market conditions and buyer sentiment.

6.0 Land Value and Method of Sale

- 6.1 Disposal by auction is often considered to be the ultimate test of 'market value', exposing the property to a live market, where purchasing is open and transparent. A sale by auction will satisfy FDC's need to secure best consideration and will also enable a much faster and efficient method of disposal particularly for low value and/or complex sites.
- 6.2 Disposal by private treaty on the open market will require full and open marketing by all suitable means by a local agent, to include website listings, for sale boards and local advertising. Such activity will maximise interest from potential purchasers and in most cases generate competitive bidding. Offers will then be considered on all terms such as sources of funding, timing, track record and any conditionality attached to the offer. If the offer is subject to the grant of planning consent, what would constitute a satisfactory planning consent, terms of any overage requested or offered for future uplift in value created by the grant of a planning consent or improved planning consent.
- 6.3 Disposal to a special purchaser by private treaty would typically be a sale to a neighbouring owner to whom combining their existing property with the Council's interest would create additional value over and above that which would be enjoyed by any other third party purchasing the land from the Council. Such transactions would seek to extract additional value to the Council and seek to include overage provisions to share in future enhancements in value through the grant of planning consent.
- 6.4 Where appropriate Officers will seek to protect any future uplift in value by the inclusion of a clawback or overage provision. In the event that an initial lower sales value gives rise to increased value at a later date, say for example where planning permission might be granted or enhanced, the Council will be entitled to a fair share of such uplift in value.
- 6.5 The Council's in-house Surveyors will assess reserve values, these values will be cross-checked and agreed in principle with the Auctioneers subject to approval under delegated powers

7.0 Ward Member Notification & Marketing:

- 7.1 It is intended, subject to Cabinet approving the proposals contained within this report, that Officers will provide advance notification (no less than 1 month) to Ward Councillors to make them aware of the planned disposals within their wards. Such an approach will ensure that Councillors are aware of the timing of such disposals and will enable them to forward enquiries onto the relevant Council Officer.
- 7.2 As local resident interest is likely to be piqued by the proposed disposal of surplus assets, it is planned, to notify (where appropriate) adjoining owners/residents of the potential sales by the erection of 'for sale' boards. This will afford neighbouring residents the opportunity to know what is happening and to bid or to make an offer for the land, in the same way that any interested party could, should they so wish.

8.0 Financial Risks:

- 8.1 Revenue Implications – The disposal of these 15 surplus sites will reduce, by a modest amount, the sums expended in keeping the sites tidy, safe & secure and will remove the ongoing liabilities associated with holding such sites.
- 8.2 Capital Implications – The disposal will contribute towards the Council's need to secure additional capital receipts

9.0 Risk Assessment:

- 9.1 The sale of assets reduces the risk to the Council arising from the duties under the Occupiers Liability Acts 1957 and 1984.
- 9.2 There are no risks relevant to the consideration of this decision. The declaration of the land as surplus to FDC's requirements will allow these assets to be sold for best consideration. Risks may exist as to the sale price and timing of a sale due to the various issues outlined above, however with a flexible process through delegated powers Council Officers will be enabled to act quickly and effectively to maximise the opportunity on each sale

10.0 Conclusion:

- 10.1 Following previous approvals of sites the approval of this in line with the Recommendations will enable a clear and flexible strategy to be implemented to generate capital receipts, reduce ongoing maintenance and public liability for these sites. In some cases, the disposals will enable further residential development, increasing the number of houses within the district and playing a part in increasing Council Tax income and New Homes Bonus income to the Council.

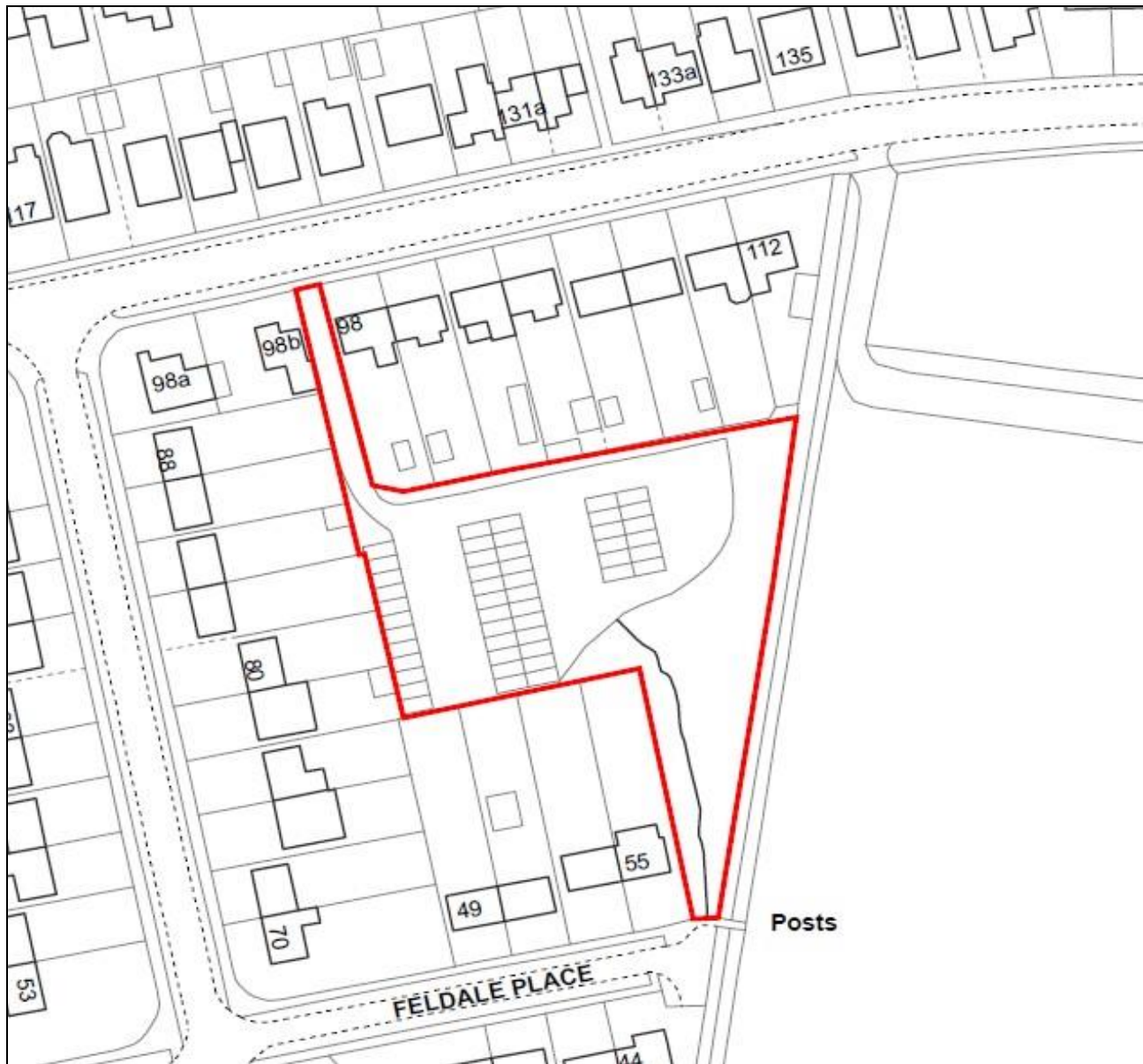
Appendix 1 – Sites to be declared Surplus and available for disposal

Drybread Road	Whittlesey, PE7 1XL
Eastwood, adj No 1	Chatteris, PE16 6RX
Grounds Avenue	March, PE15 9BG
Riverside Gardens	Parson Drove, PE13 4JX
Birch Fen - east of by pass	Chatteris, PE16 6JP
Mile Tree Lane	Wisbech, PE13 4TR
Crown Avenue	Christchurch, PE14 9NE
Inhams Close	Murrow, PE13 4HS
32-32a Station Road	Manea, PE15 0HA
Land at the Sycamores	Chatteris, PE16 6EA
14 Curf Terrace, Doddington Rd - Land adj to	Chatteris PE16 6UB
Hurst Avenue	March, PE15 9BG
Upwell Road (remainder)	March , PE15 0DA
Gibside Avenue	Chatteris PE16 6SU
The Birches	Wisbech St Mary

Drybread Road, Whittlesey

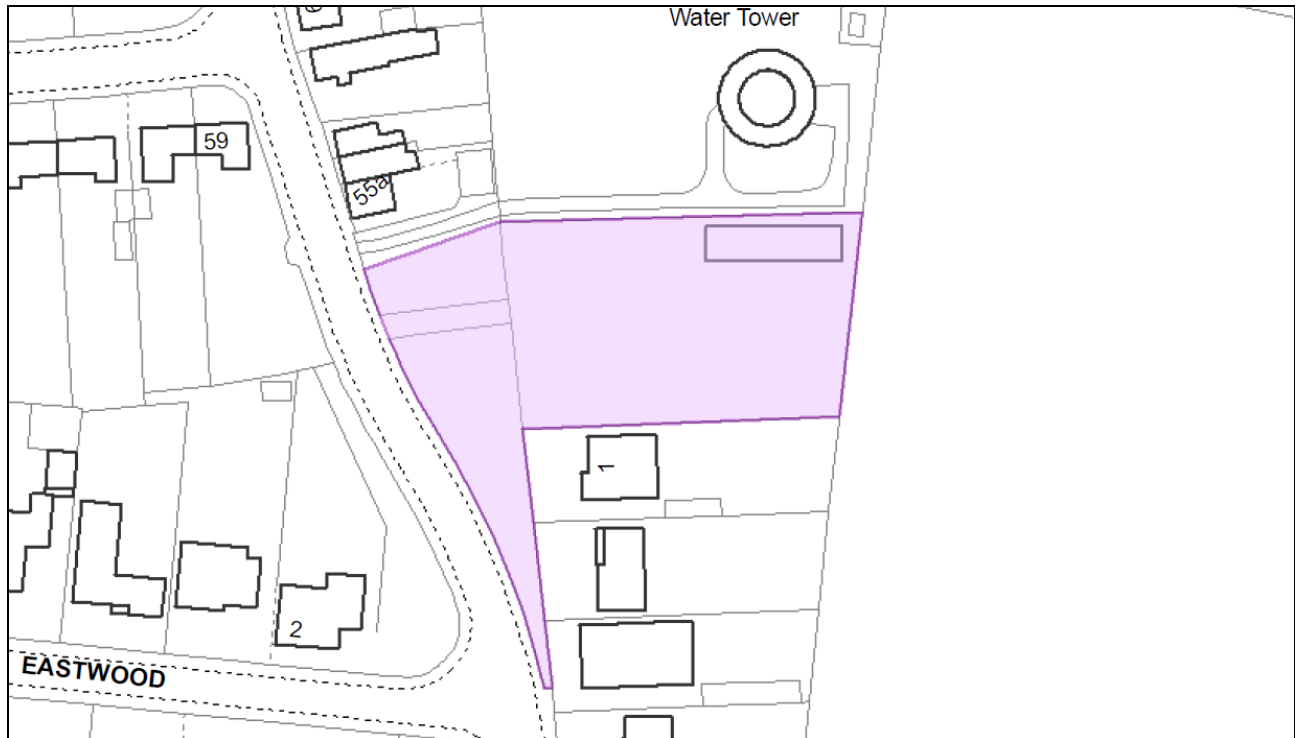
A largely rectangular former garage site of approximately 0.787 acres

The site is constrained by having two narrow accesses, but is in an established residential area, and therefore has potential for residential redevelopment.



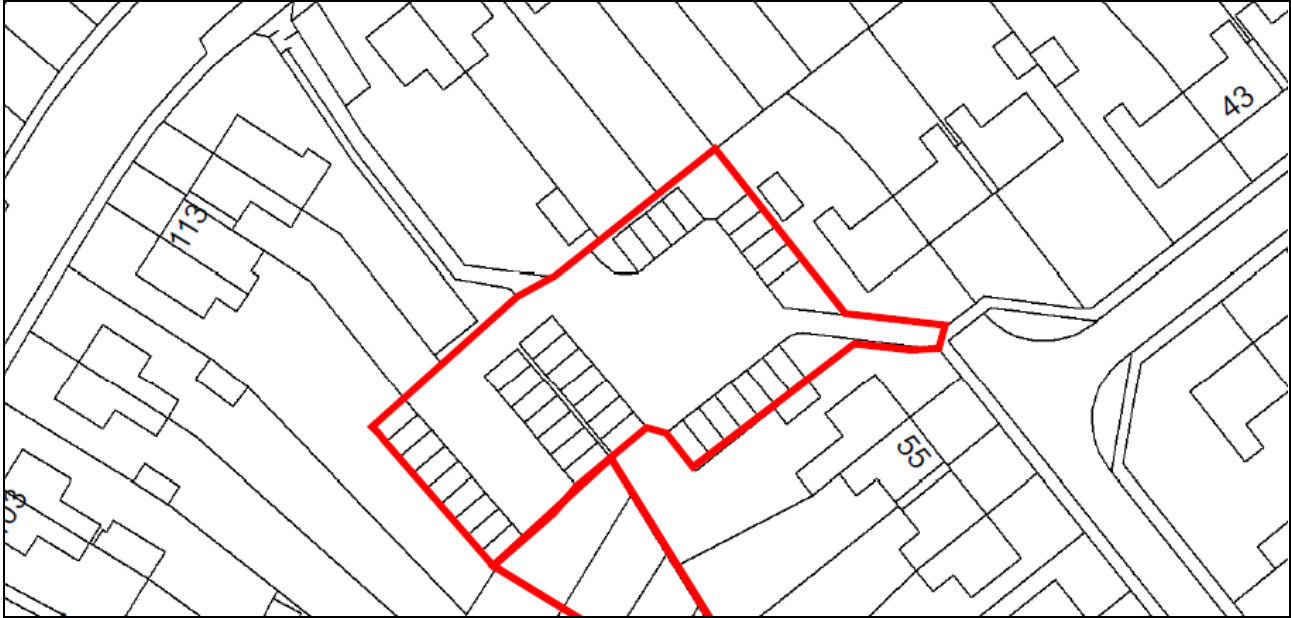
Land adjacent to 1 Eastwood, Chatteris

A site of approximately 0.65 acres, adjacent to the access for Chatteris Leisure Centre and Cromwell Community School. It is currently in use for informal car parking along the north of the access road. The extent of any parking provision required is to be determined prior to progressing any planning permission or sale of land that may become surplus to parking need.



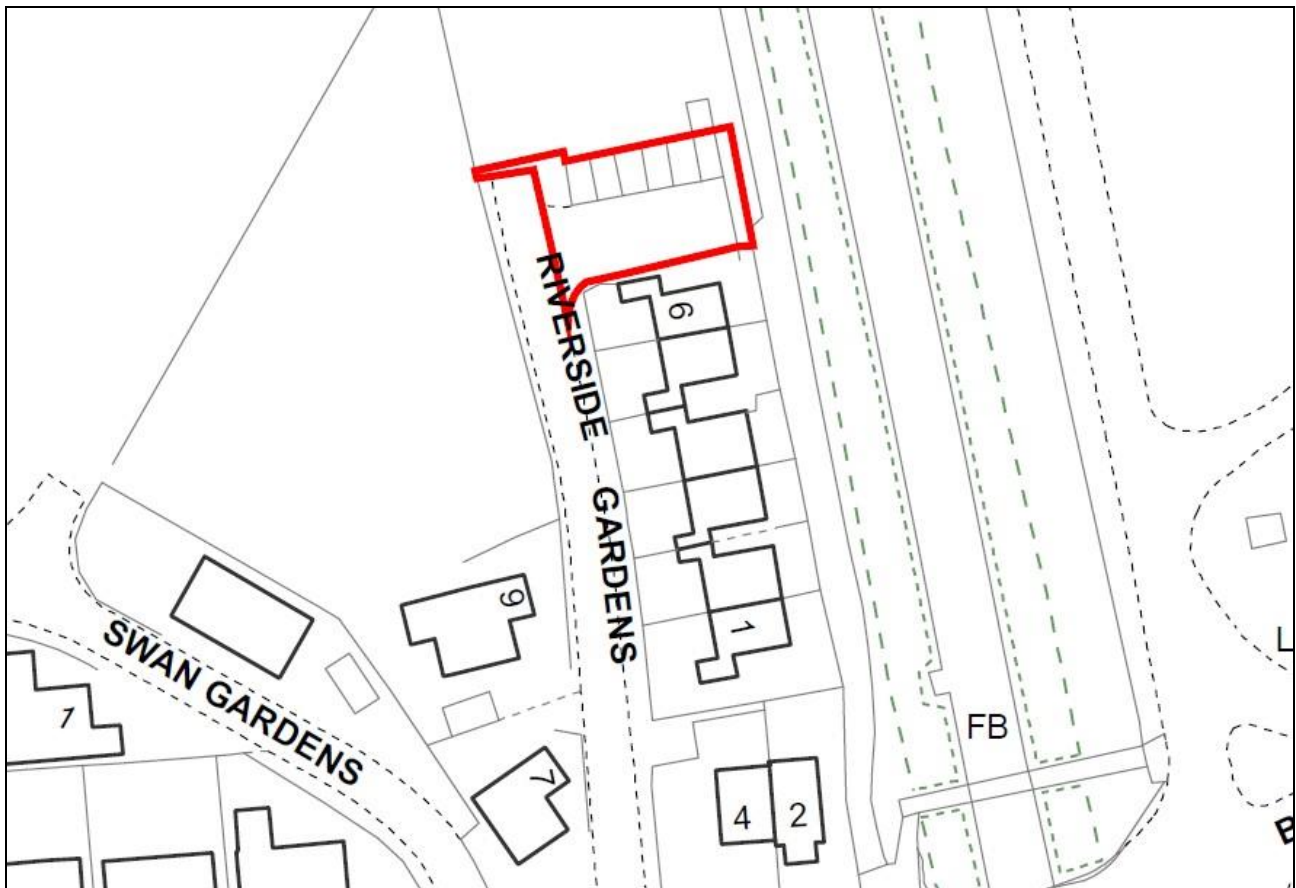
Grounds Avenue, March

This site extends to approximately 0.326 acres. It is a former garage site used by local residents for informal parking. The site is constrained by only having narrow access for vehicles. The surrounding area is in established residential use and accordingly the site has potential for residential redevelopment.



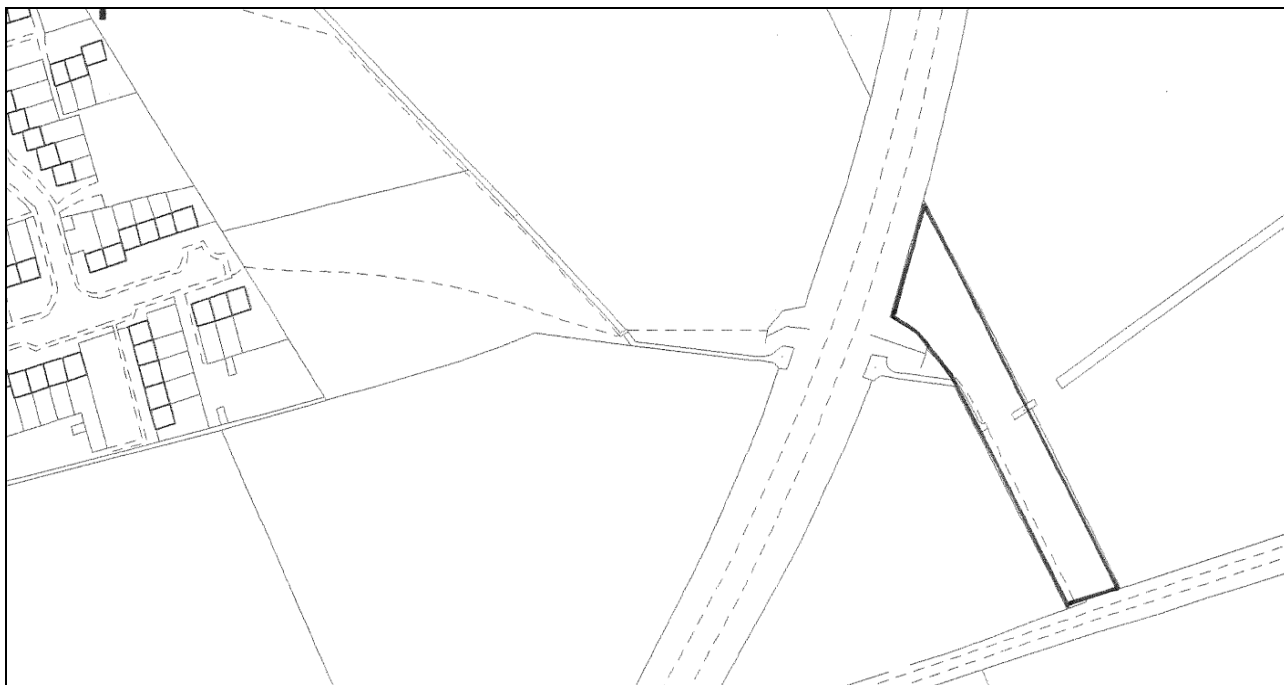
Riverside Gardens, Parson Drove

A disused garage site of 0.076 acres located at the end of Riverside Gardens, a narrow no through road. The site is in Flood Zone 3 and would be a challenging site upon which to gain a consent for development.



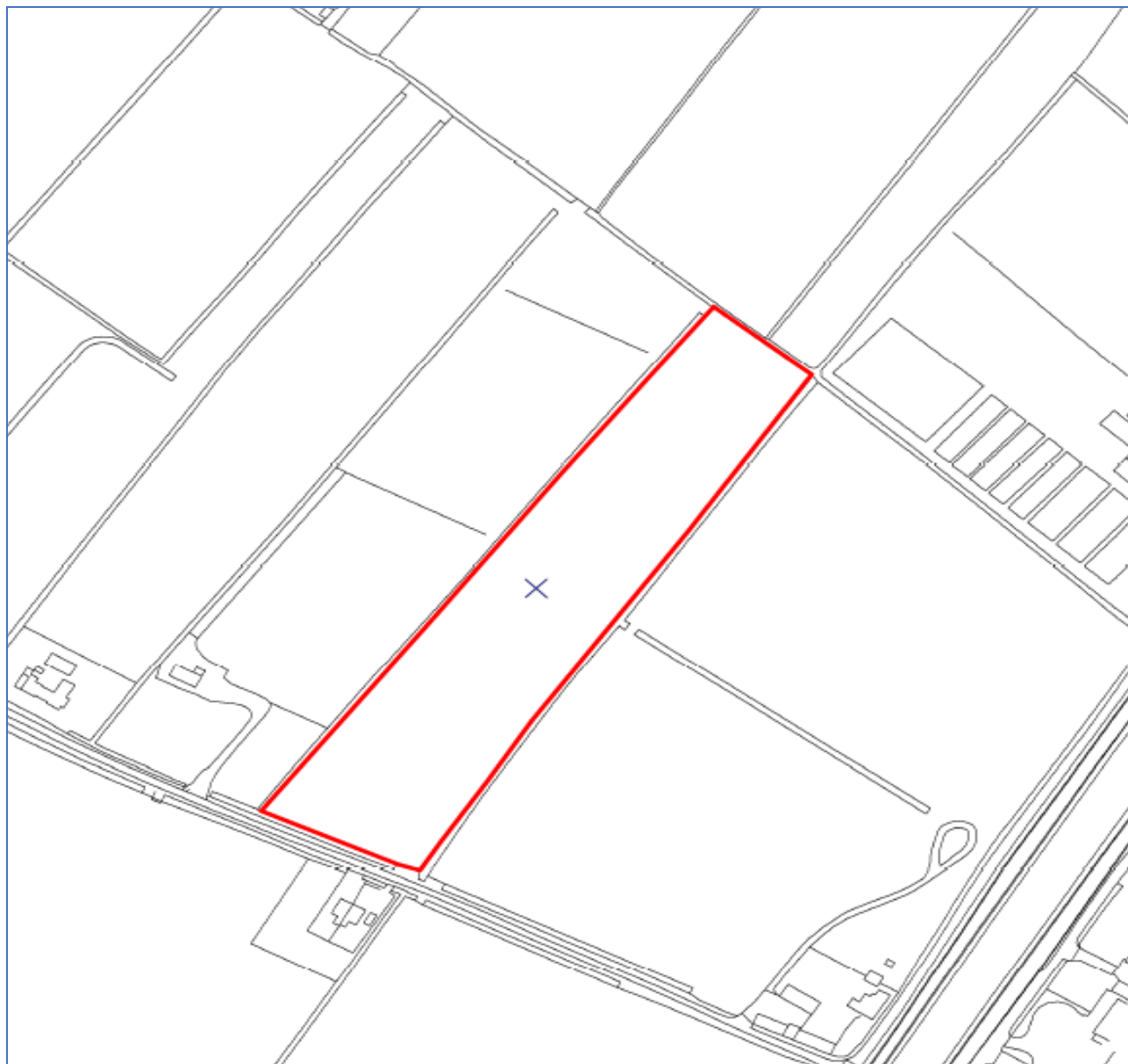
Birch Fen, Chatteris

A parcel of 0.7acre of agricultural land located just outside Chatteris, approximately 100 metres to the east of The Elms, and east of the by-pass. The site is accessible from Birch Fen Drove. This land is unlikely to have redevelopment potential.



Mile Tree Lane, Wisbech

4.95 acres of agricultural land to the north of Mile Tree Lane. This land is currently let for agricultural use. The site is in flood zone 3 and being in open countryside is unlikely to be suitable for residential development in the near future.



Crown Avenue, Christchurch

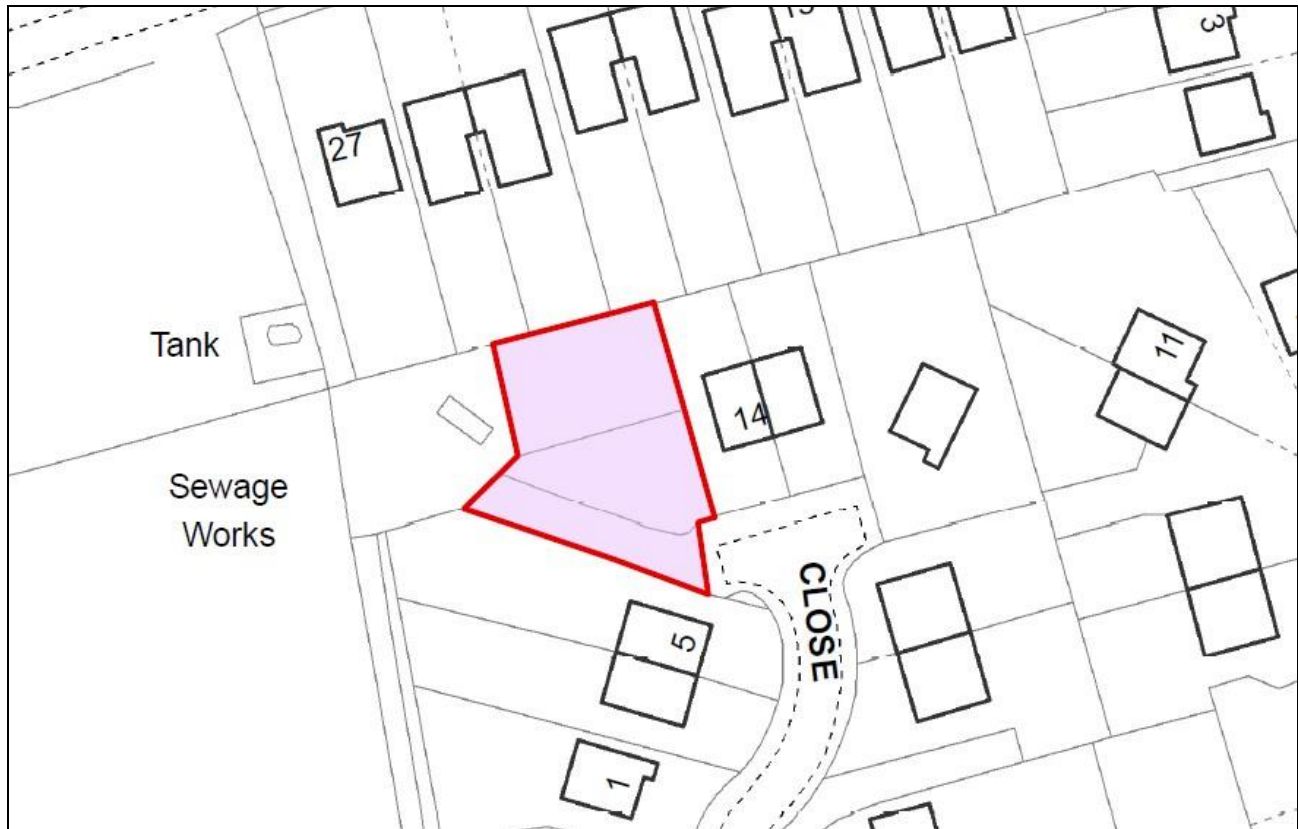
Site of a former sewage treatment works, and measuring approximately 0.115 acres. This site is located at the end of Crown Avenue, behind a house owned by Clarion Housing Association. The site abuts open fields on its west side and school playing fields to its south side.

The site would appear to have potential for a modest single dwelling.



Inhams Close, Murrow

Site of approximately 0.14 acres which abuts a sewage treatment works on its western boundary and abuts 14 Inhams Close (owned by Clarion Housing Association) on its eastern boundary. The site includes the vehicular accessway to the sewage treatment works. It is considered suitable for development.



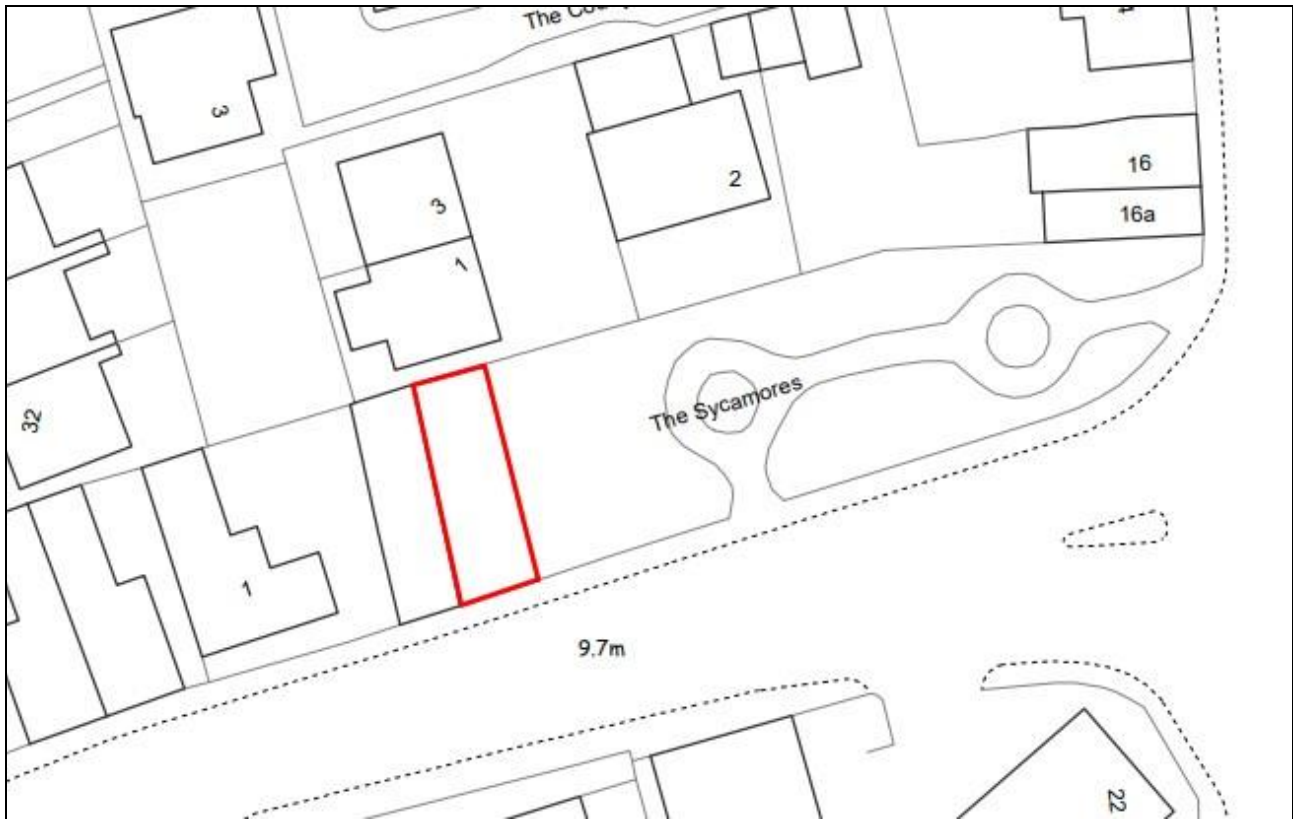
Land between 32 and 32A Station Road, Manea

A small, triangular shaped parcel of land of approximately 142 m² on Station Road between house numbers 32 and 32A. Historical encroachments from both neighbouring properties.



Land adjacent to The Sycamores, Huntingdon Road, Chatteris

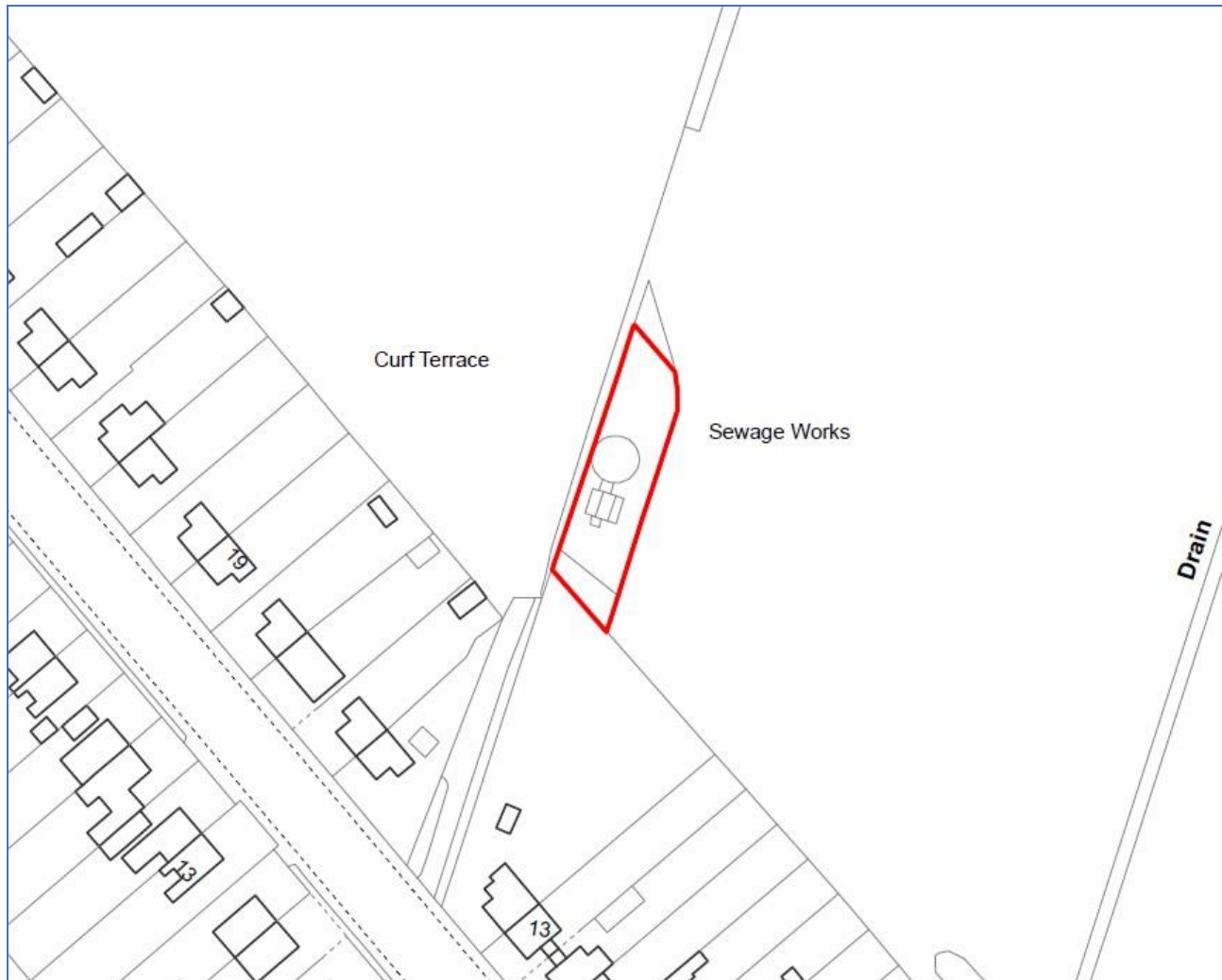
A small parcel of land next to the Old Bakery on Huntingdon Road which although is not held as Public Open Space land, is maintained by the Council as such, and forms a natural extension to the prominent open space gardens on the corner with West Park Street. The land is separated from the main part of the land by the driveway into The Sycamores. Interest has been expressed in this land for parking.



Former Sewage Treatment Works, rear of 14 Curf Terrace, Doddington Road, Chatteris

A former sewage treatment works site, decommissioned by Anglian Water some years ago. The site measures approximately 0.137 acres.

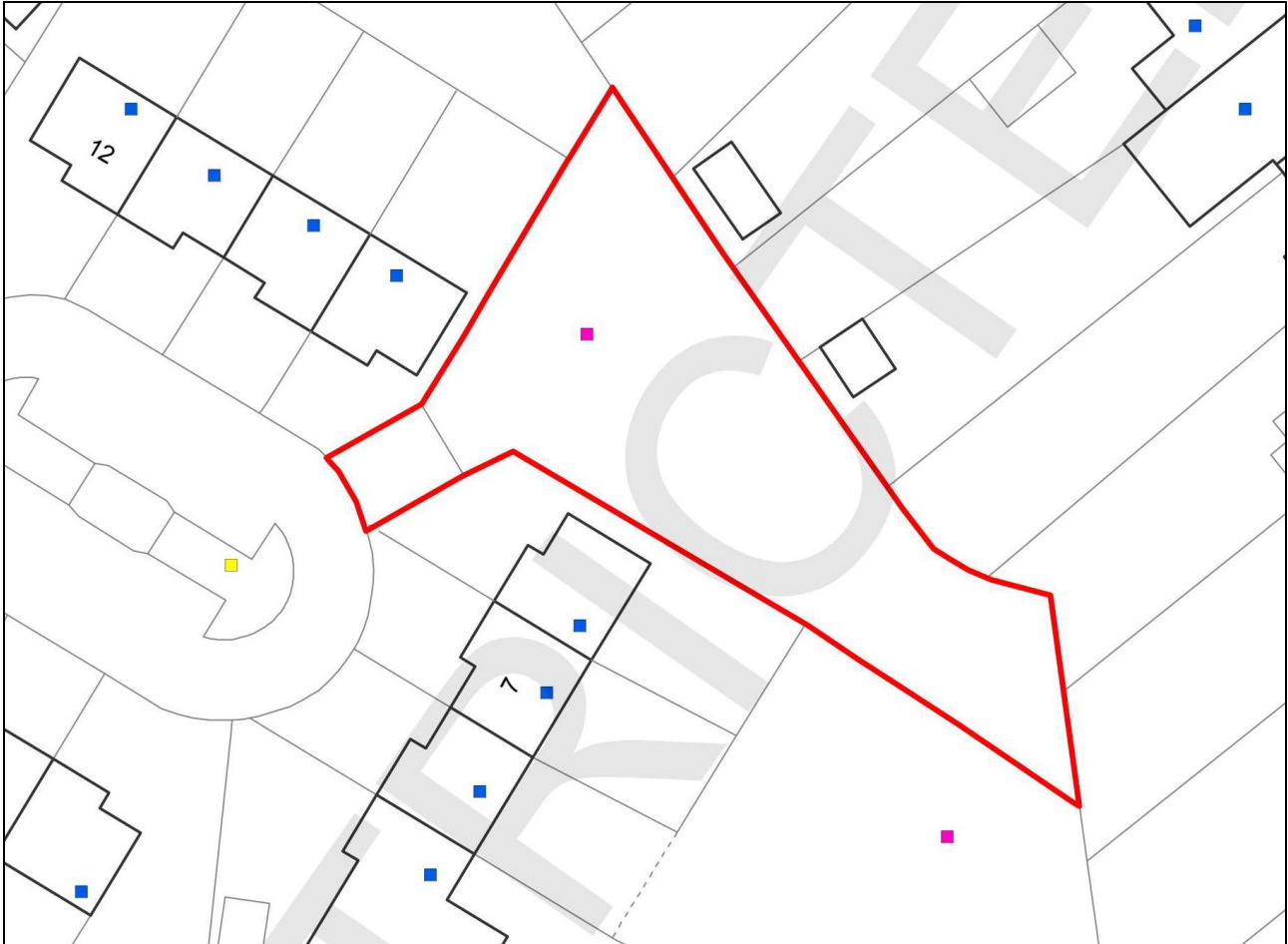
The site lies to the rear of the houses fronting Doddington Road, with an area of unregistered land between the site and the public Highway.



Hurst Avenue, March

An awkwardly shaped, undeveloped grassed site of 0.147 acres located in an established residential area between existing bungalows, discussions with Planners indicate that the site would be suitable in principle, for the development of a single residential dwelling.

Note that the Council will need to seek the variation of a covenant contained within the Housing Stock Transfer with Clarion Housing Group for this site in order to smooth the sale process.



Upwell Road (land to the north of No. 84), March

A site with an area of 0.25 acres being irregular in shape positioned to the rear of 84 Upwell Road. It is laid out as a car parking areas vehicular access is via Smiths Drive (not Upwell Road) crossing Clarion owned land (rights to be determined).

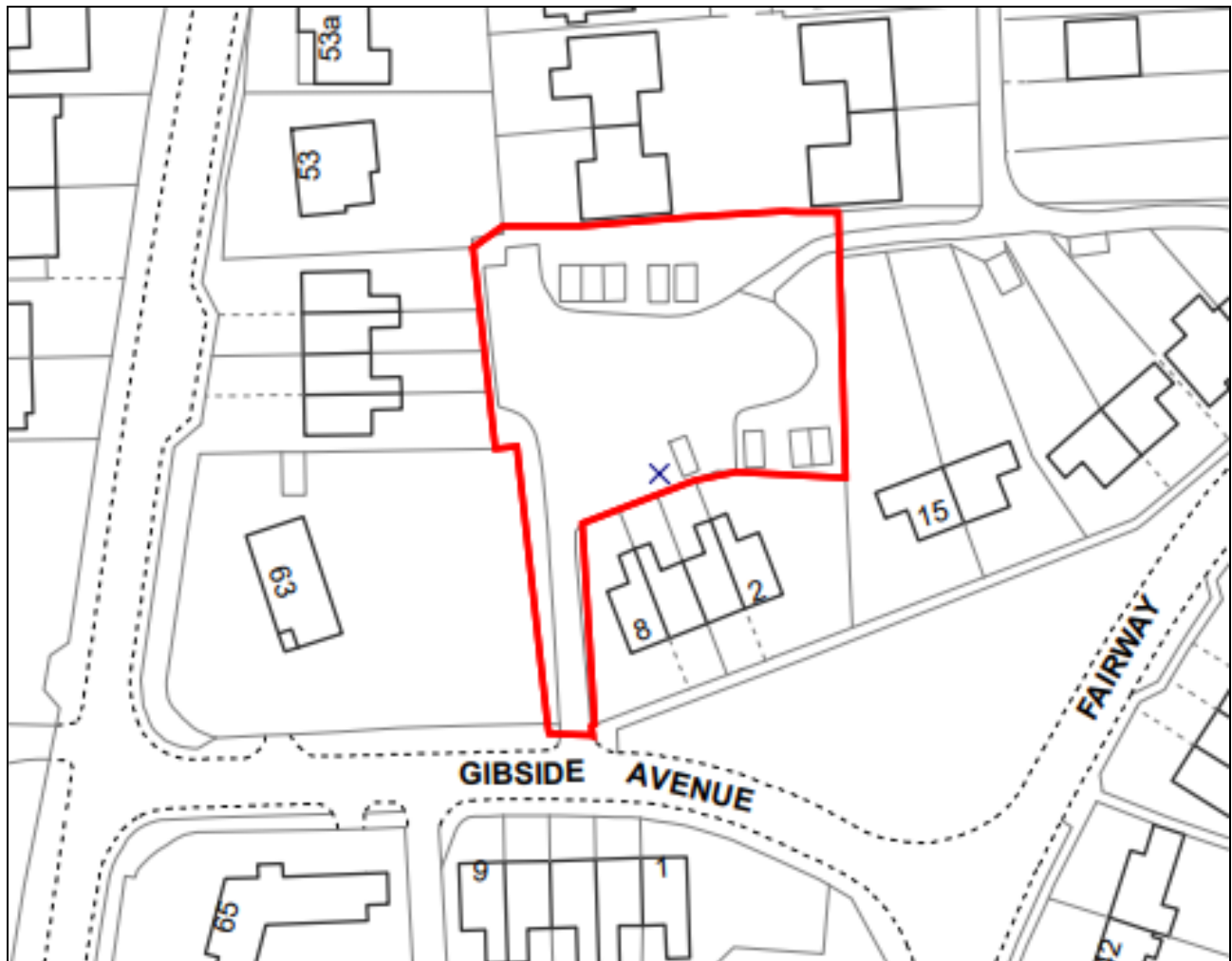
Potential development of this site is constrained by underground utilities.

Note that the Council will need to seek the variation of a covenant contained within the Housing Stock Transfer with Clarion Housing Group for this site in order to smooth the sale process.



Gibside Avenue, Chatteris

A former garage site and future residential development site, of some 0.434 acres located in an established residential area. It is currently being used for ad hoc parking (unsurfaced), with several garages in existence, albeit their usage/occupation is undetermined. There are potential unauthorised rights to resolve prior to determining the most appropriate method of sale.



The Birches, off Chapel Road, Wisbech St. Mary

This is problematic site of 0.139 acres for development, access is relatively long and narrow leading to an overgrown former sewage treatment works site, with ditch beyond. There are weight restriction issues, as access involves crossing deep wells for which Anglian Water cannot give any guarantee as to suitability for vehicular use. The FDC registered title does not abut the highway.

Note that the Council will need to seek the variation of a covenant contained within the Housing Stock Transfer with Clarion Housing Group for this site in order to smooth the sale process.

