

## **Property Disposal Programme 2013/16**

### **SUMMARY**

- 1.1 As part of the Property Rationalisation project the current list of properties for disposal has been reviewed and this report seeks approval for this consolidated list of properties and to progress with their disposal. The report also sets out an anticipated property disposal schedule for these properties over the next three years, bearing in mind the complexities associated with some of the properties concerned. However, it is proposed that the properties be disposed of as quickly as practical, taking advantage of any opportunities that may arise.
- 1.2 The Disposal Programme has identified 58 properties for disposal, of which 36 are identified for immediate disposal.
- 1.3 The disposal of the properties identified in the program could potentially generate capital receipts in excess of £5m.

### **RECOMMENDATIONS**

- 2.1 To approve the consolidated list of properties for disposal, as set out in Appendix 2.
- 2.2 To delegate authority to the Chief Executive, in consultation with the Leader of the Council to approve the disposal of the properties including negotiating suitable terms for the disposal.
- 2.3 That a report be brought back to Cabinet on a quarterly basis setting out what actions have been taken under Recommendation 2.2.
- 2.4 To note that any capital receipts generated will be applied in accordance with the corporate capital receipts policy.

### **REASONS FOR RECOMMENDATIONS**

- 3.1 To allow the disposal process to commence on the properties contained in the agreed disposal programme.
- 3.2 To provide a balance between the need to dispose of properties as quickly as possible against the need to seek Cabinet's approval to individual property sales.

- 3.3 To allow the timings of the sale to be varied to enable the Council to react promptly to changing market conditions and to deal effectively with complexities that might arise with some of the properties.



Derby City Council

## **COUNCIL CABINET** **15 May 2013**

Report of the Strategic Director for Neighbourhoods.

### **SUPPORTING INFORMATION**

- 4.1 The Council has over the years disposed of property that has been declared surplus to its requirements. The receipts generated from such sales have been used to support the capital program.
- 4.2 However, over time certain site and properties whilst being earmarked for sale have not been disposed of due to a variety of issues. These have included Council requirements for the properties changing; legal issues; purchasers who subsequently dropped out and adverse market conditions.
- 4.3 As part of the Property Rationalisation process, the list of properties which are currently proposed to be sold has been updated and 58 properties have been identified for sale of which 36 are available for immediate disposal.
- 4.4 The details of the various properties, the proposed methods of sale and associated commentary are set out in Appendix 2.
- 4.5 To support the Property Rationalisation programme, the Estate Team has been reorganised. An outcome of this review is that resources are being targeted to ensure the delivery and monitoring of the property disposal programme.
- 4.6 Each property targeted for disposal will be assessed to ascertain whether it would be beneficial either for the property to be sold or whether the Council could obtain better value if it was let on the open market, generating rent to support the Council's revenue budget.
- 4.7 If the decision is to sell the property, possible works would be identified that could enhance the subsequent sale value of the property. Such works could vary from clearing out any rubbish to obtaining planning consent for an alternative but more valuable use.
- 4.8 In addition as part of this process a decision will be made as to the best method of disposal for the property, to ensure it meets the Council's overall objectives for the particular property in question.
- 4.9 As further properties will be identified for disposal as part of the Property Rationalisation project, it is anticipated that there will be some variations in the disposals programme with properties being added and the timings of the disposal of certain properties either brought forward or pushed back depending on market conditions.

- 4.10 Cabinet are recommended to approve the proposed list of disposals in Appendix 2 and also to delegate approval to the Chief Executive, in consultation with the Leader of the Council, to approve the final sale terms, following officer negotiations and consideration of officer recommendations.

#### **OTHER OPTIONS CONSIDERED**

- 5.1 Seeking approval for individual transactions would be inefficient, and could delay the execution of the disposal programme.

**This report has been approved by the following officers:**

<b>Legal officer</b> <b>Financial officer</b> <b>Human Resources officer</b> <b>Estates/Property officer</b> <b>Service Director(s)</b> <b>Other(s)</b>	Olu Idowu Nicola Goodacre N/A Steve Meynell N/A
<b>For more information contact:</b> <b>Background papers:</b> <b>List of appendices:</b>	John Sadler 01332 643334 <a href="mailto:John.sadler@derby.gov.uk">John.sadler@derby.gov.uk</a> None Appendix 1 – Implications Appendix 2 – Disposal Programme

<b>IMPLICATIONS</b>
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**Financial and Value for Money**

- 1.1 The disposal of the properties identified in the program could potentially generate capital receipts in excess of £5m.
- 1.2 Any capital receipts generated will be applied in accordance with the corporate capital receipts policy and used for the good of the capital programme.

**Legal**

- 2.1 The Council has statutory power by virtue of section 123 of the Local Government Act 1972 to dispose of land using whatever method it chooses, as long as it meets its overriding duty to obtain the best consideration that can be reasonably obtained for the land. Land, in this context, includes property.

**Personnel**

- 3.1 There are no personnel implications arising from this report

**Equalities Impact**

- 4.1 The recommendations do not give rise to any equality issues

**Health and Safety**

- 5.1 There are no Health and Safety issues arising directly from this report.

**Environmental Sustainability**

- 6.1  
The disposal programme will put back into economic use and assist in the regeneration of redundant buildings.

**Property and Asset Management**

- 7.1 The relevant Property and Asset Management Comments are incorporated into the report

**Risk Management**

- 8.1 The disposal of any property is dependent on their being a willing purchaser and the

relevant market conditions at the time of the sale.

- 8.2 These risks can be reduced through the combination of the undertaking of works to maximise the value of the premises; using the most appropriate method to dispose of the property and to plan the timing of when properties are brought to the market to ensure that the necessary Council objectives are met.

### **Corporate objectives and priorities for change**

- 9.1 The disposal of surplus property and the subsequent maintenance savings will contribute towards the required budget savings for the period of 2013-15

**Appendix 2**  
**Disposal Programme 2013-2016**

<b>Address</b>	<b>Description</b>	<b>Method of Sale</b>	<b>Properties Available for Disposal</b>	<b>Development Land - Awaiting Improvement in Market Conditions</b>	<b>Properties requiring Technical Appraisals before Disposal</b>	<b>Comments</b>
Grange Av Site B	Residential Development	Long Lease	x			Site to be disposed of for Extra Care Scheme
Glossop St	Land	Tender	x			Sale to Strata Homes. Part of the OSCAR regeneration Scheme
Land at Elton Rd	Land	Long Lease	x			Site to be disposed of to OSCAR
Chesapeake Family Centre	Offices	Auction	x			Vacating April 2013
Ashlea 53 Coronation Avenue	Respite Care Unit	Auction	x			Property to be vacated May 2013
Mandela Centre Pear Tree Rd	Day Centre	CAT/ Auction	x			Possible Community Asset Transfer (CAT) being investigated. If unsuccessful to be sold at auction.
40 West Ave	House	Private Treaty	x			To be sold subject to covenant to convert premises to a family home
Land at junction of Uttoxeter Rd/Uttoxeter New Road	Land	Auction	x			Possible retention of proceeds for reinvestment
Land at 1-5 Brook St	Land	Private Treaty	x			Possible sale to owner of adjoining site

Sinfin Lane Public Conveniences	Toilets	Auction	x			Surplus to requirements
Chelleston Public Convenience	Toilets	Auction	x			Possible retention of proceeds for reinvestment
Former Stable and Bake House Darley Park	Listed Building Complex	Long Lease	x			Site to be disposed of by long lease.
City Rd Chester Green	Yard and Buildings	Tender	x			Surplus to requirements
65 Canal Street Castleward	Industrial Unit	Private Treaty	x			To be sold to Compendium Living as part of the Castleward Regeneration Project
2 New Street Castleward	Industrial Unit	Private Treaty	x			To be sold to Compendium Living as part of the Castleward Regeneration Project
Small Business Centre Canal Street Castleward	Industrial Unit	Private Treaty	x			To be sold to Compendium Living as part of the Castleward Regeneration Project
12 Canal Street Unit Castleward	Industrial Unit	Private Treaty	x			To be sold to Compendium Living as part of the Castleward Regeneration Project
4 Canal Street Castleward	Industrial Unit	Private Treaty	x			To be sold to Compendium Living as part of the Castleward Regeneration Project
2 Canal Street Castleward	Industrial Unit	Private Treaty	x			To be sold to Compendium Living as part of the Castleward Regeneration Project



Copeland Street Castleward	Industrial Unit	Private Treaty	x			To be sold to Compendium Living as part of the Castleward Regeneration Project
3 Liversage Street Castleward	Industrial Unit	Private Treaty	x			To be sold to Compendium Living as part of the Castleward Regeneration Project
7 John Street Castleward	Industrial Unit	Private Treaty	x			To be sold to Compendium Living as part of the Castleward Regeneration Project
1 John Street	Industrial Unit	Private Treaty	x			To be sold to Compendium Living as part of the Castleward Regeneration Project
3 John Street Castleward	Industrial Unit	Private Treaty	x			To be sold to Compendium Living as part of the Castleward Regeneration Project
Siddals Road Liversage Street	Industrial Unit	Private Treaty	x			To be sold to Compendium Living as part of the Castleward Regeneration Project
2 Liversage Street	Industrial Unit	Private Treaty	x			To be sold to Compendium Living as part of the Castleward Regeneration Project
1 Liversage Street	Industrial Unit	Private Treaty	x			To be sold to Compendium Living as part of the Castleward Regeneration Project

4 Liversage Street	Industrial Unit	Private Treaty	x			To be sold to Compendium Living as part of the Castleward Regeneration Project
1 New Street Castleward	Industrial Unit	Private Treaty	x			To be sold to Compendium Living as part of the Castleward Regeneration Project
Siddals Road Castleward	Industrial Unit	Private Treaty	x			To be sold to Compendium Living as part of the Castleward Regeneration Project
Traffic Street	Industrial Unit	Private Treaty	x			To be sold to Compendium Living as part of the Castleward Regeneration Project
5 Whiston St	Building	Auction	x			To be sold at Auction. Possible retention of proceeds for reinvestment
1 Oxford St	Retail	Auction	x			To be sold. Possible retention of proceeds for reinvestment
Roman House	Office	Tender	x			Sale to support the Council House refurbishment business case
St Mary's Complex	Office	Private Treaty	x			Sale to support the Council House refurbishment business case
Wayzgoose Lane	Land	Lease	x			Sale options appraisal undertaken.
The Knoll Village St	Land	Tender		x		Residential redevelopment site
Ivy House School Site	Land	Auction		x		Potential Residential Site

Havenbault Lane	Land	Tender		x		Awaiting market recovery. May be included as part of larger redevelopment scheme
Raynesway	Land	Tender		x		Awaiting Market recovery
Green Lane Alvaston	Land	Auction		x		Potential Development Site
St Mary's Gate	Land	Private Treaty		x		Sale subject to adjoining site being developed.
55 Wilson St	House	Private Treaty			x	Technical appraisal to be resolved by Autumn 2013.
85/89 King St	Retail	Auction			x	Technical appraisal to be resolved by Autumn 2013.
Garden St/lodge Lane/ King St	Land	Auction			x	Technical appraisal to be resolved by Autumn 2013.
101 Peartree Rd	Surestart shop	Auction			x	Technical issues/appraisal to being resolved by October 2013
26 Humbleton Drive	Retail	Auction			x	Technical issues/appraisal to being resolved by October 2013
West Side Quaker Way	Land	Tender			x	Technical appraisal to be resolved by Autumn 2013.
Forman St	Land	Private Treaty			x	Technical issues/appraisal to being resolved by November 2013
Swallowdale site	Land	Tender			x	Located outside City Boundary. Awaiting confirmation from South Derbyshire. Council regarding the allocation of the site for residential

						development.
Eastmead	Offices	Tender/Auction			x	Subject to the completion of the Beaufort Business Centre (BBC) Project 2014/15
Wetherby Day Centre	Day Centre	Tender			x	The Aspire Unit currently occupies part of this complex. This Group are scheduled to move to the new swimming pool complex in 2014/15
Normanton Lane	Land	Tender			x	Potential of the site being investigated - Schedule for completion December 2013
Rowdich Barracks	Listed Building Complex	Tender			x	Master Plan to be agreed before site to be sold. Scheduled for completion 2014
714/716 Harvey Rd	Shop	Private Treaty			x	Sale options being reviewed. completion July 2013
Grange Av Site A	Residential Development	Tender			x	Technical issues/appraisal to being resolved by September 2013
63 Duffield Rd	Officers	Tender			x	Sale option appraisal being undertaken. Schedule for completion September 2013

Allestree Hall	Listed Building Complex	Tender			x	Master Plan to be agreed before site to be sold. Schedule for completion mid 2014
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