

Key Decision Required:	No	In the Forward Plan:	No
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CABINET

15 JUNE 2011

REPORT OF FINANCE AND ASSET MANAGEMENT PORTFOLIO HOLDER

A.8 FUTURE OF SITES PREVIOUSLY DECLARED SURPLUS TO REQUIREMENTS

(Report prepared by Clare David and Andy White)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To consider the future of a number of Council owned property assets that have previously been declared surplus to the requirements of the Council or where the Property Dealing Policy has been initiated.

EXECUTIVE SUMMARY

On 16 February 2011, Cabinet requested a report, in advance of the comprehensive stock-take of Council property assets, to consider those sites that have previously been declared surplus but where, for a variety of reasons, this has not ultimately resulted in their disposal. The sites under consideration are:

- (a) Martello Bay Coach Park, Clacton
- (b) Land at Ramplings Ave/Elmden Court, Clacton
- (c) Part of Frinton Park, Frinton
- (d) Station Road Car Park, Walton
- (e) Part of York Road Car park, Holland
- (f) Isolation Hospital site and Car Park, Main Road, Dovercourt
- (g) Elmstead Market Car Park
- (h) Land at the junction of Brighton Road and Hereford Road, Holland
- (i) Brightlingsea Open Air Pool

It is anticipated that the comprehensive stock-take will be ready for consideration in the early summer of 2011.

Appendix J of this report considers each of these sites in turn and explains how they relate to the Property Strategy and the emerging Property Management Model. A full history of site (h) – Brighton Road - is contained as a separate report on this agenda.

RECOMMENDATION(S)

That Cabinet considers and determines whether to approve the recommendations for sites (a) to (i) as contained at Appendix J to the report.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Each of the sites does or could contribute to the Council's priorities in various ways. Equally, however, it is clear that many of the Council's assets are in need of investment and delivery against these priorities will be hard to fund in the difficult economic environment. Even maintaining assets against this background will be challenging. To ensure that the Council is

achieving maximum efficiency and effectiveness from its assets, the comprehensive stock-take of all the Council's property assets will be used to inform the Property Strategy (initially requested by Cabinet in April 2010). As part of the Property Strategy, Officers are in the process of devising a Property Management Model that will include a full options appraisal to ensure the best fit with the Council's Corporate priorities.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

Asset transactions that support the Council's key priorities and/or result in a capital receipt are in accordance with the Capital Strategy and Asset Management Plan 2011-2012 and is in keeping with the Council's medium term Financial Strategy.

Capital receipts can be used to reduce borrowing or to fund the Capital Programme. Capital receipts cannot be used to meet revenue costs.

If any of the disposals are progressed the provision of funding to meet external legal costs may be required.

Risk

The key risk in continuing with the disposal process is the potential for disposal to fail for one or more reasons. This results in abortive work and costs. Details of the potential risks are provided in Appendix j on a site by site basis.

LEGAL

All of the potential actions are within the discretionary powers of the Council, however, if the Council elected to sell or transfer any of the sites without open marketing, or at a lower price after open marketing, it would have to do so using its discretionary power under the General Disposal Consent (England) 2003. The sale of public open space would also have to be advertised in accordance with Section 123 of the Local Government Act 1972.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

Wards Affected

As Appendix J.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Before 2009 the Council's Constitution required that before a property asset could be disposed of it first had to be declared surplus to the Council's requirements. Sites (a) to (h) have previously been declared surplus to the Council's requirements.

Since 2009, the Council Constitution requires that before a property asset can be disposed of the Property Dealing Policy has to be initiated. This involves the Corporate Property Officer undertaking a feasibility appraisal and then seeking the approval of the Community, Partnerships and Renewal Portfolio Holder to commence the next stage of the Policy, if appropriate. The second stage includes marketing, negotiation, valuation, investigation etc. Once terms have been negotiated these then have to be reported to Cabinet for approval. Site (i) (Brightlingsea Open Air Swimming Pool) has previously had the approval of the then Portfolio Holder for the Property Dealing Policy to be initiated.

All sites have in common the fact that the decisions have not ultimately resulted in the disposal of the site. These are listed and assessed in detail in Appendix J.

There are a further three sites that have previously been declared surplus or where the initiation of the disposal process has been approved. The disposal of these sites is at an advanced stage and they have not therefore, been included in this report. These are:

- Land at Telford Road, Clacton. This was declared surplus in 2007 and terms for the disposal were agreed, however, with the slump in the property market the disposal has never completed. More recently, interest in the site has been received to resume the disposal.
- The former club premises Lower Marine Parade, Dovercourt. This site was declared surplus in 2003. The terms of disposal were approved by Cabinet on 15 December 2010. Contracts are currently being drafted and completion is anticipated in April.
- Land at Gas House Quay, Harwich. The Property Dealing Policy was initiated in September 2010 and terms for the long term lease of the site were approved by Cabinet on 26 January 2011. Leases are currently being drafted and it is anticipated that these will be completed in April.

CURRENT POSITION

On 21 April 2010 Cabinet resolved, amongst other things, to instruct Officers to prepare a detailed stock take of all the Council's assets and, on completion, to compile a Property Strategy in consultation with residents, stakeholders and partners.

Officers are currently working on the stock take. As can be seen from the preceding section of this report, a number of the Council's property assets have previously been considered surplus to the Council's requirements or where the Property Dealing Policy has been initiated but their disposal has stalled. In order to regularise the status of these sites, and in accordance with the decision taken by Cabinet on 16 February 2011, Members are asked to consider their future in order to inform the stock take of Council assets and the subsequent Property Strategy and Property Management Model.

BACKGROUND PAPERS FOR THE DECISION

None.

APPENDICES

<u>A.1 Appendix A</u>	Location Plan - Martello Bay Coach Park, Clacton
<u>A.1 Appendix B</u>	Location Plan - Land at Ramplings Ave/Elmden Court, Clacton
<u>A.1 Appendix C</u>	Location Plan - Part of Frinton Park, Frinton
<u>A.1 Appendix D</u>	Location Plan - Station Road Car Park, Walton
<u>A.1 Appendix E</u>	Location Plan – Part of York Road Car Park, Holland
<u>A.1 Appendix F</u>	Location Plan - Isolation Hospital, Main Road, Dovercourt
<u>A.1 Appendix G</u>	Location Plan - Elmstead Market Car Park
<u>A.1. Appendix H</u>	Location Plan – Land at the Junction of Brighton Road and Hereford Road, Holland
<u>A.1 Appendix I</u>	Location Plan - Brightlingsea Open Air Pool
<u>A.1 Appendix J</u>	Schedule of sites