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Key Decision Required:	Yes	In the Forward Plan:	Yes
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CABINET

REPORT OF THE ASSET MANAGEMENT PORTFOLIO HOLDER

24 JULY 2015

A.2 FREEHOLD DISPOSAL OF CLAY HALL, WYNDHAM CRESCENT, CLACTON-ON-SEA

(Report prepared by Aileen Middleton)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To seek Cabinet's approval for the freehold disposal of Clay Hall in Clacton-on-Sea.

EXECUTIVE SUMMARY

The Council owns Clay Hall in Wyndham Crescent in Clacton, a substantial late Victorian House which was used as offices and changing rooms until 2011/2012 when it became surplus to requirements.

The structure is in poor order and maintenance costs are therefore substantial. The decision to begin the process of disposal was taken during 2014.

Two valuations have been obtained and the property was marketed by agents. A tender process was conducted by agents to ensure best consideration reasonably obtainable is obtained.

RECOMMENDATIONS

That Cabinet authorises, in principle, the freehold disposal of Clay Hall, subject to its decision on terms set out in the report in Part B of this agenda.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The disposal will have the potential to deliver on the following Council priorities:

- Ensuring our residents live in high quality housing which meets local needs.
- Regenerating the District and improving deprived areas.
- Protecting and enhancing our environment, countryside and coast.
- Remaining a low crime area and reducing the fear of crime.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The freehold disposal will result in a substantial capital receipt for the Council. Details of this are contained in Part B of this agenda.

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Risk

If the Council does not dispose of the property there is risk that it will deteriorate further and represent an increasing ongoing cost to the Council.

There is a risk that the purchase might not complete but if this does happen the Council could remarket the property and find another purchaser. Initial indications are that the outline scheme proposed is in accordance with planning requirements but the sale is dependent on a full planning permission for the proposed development being granted.

LEGAL

Section 123(1) Local Government Act 1972 indicates that, a local authority may dispose of land held by it in any way it wishes so long as (section 123 (2)) the land is disposed for a consideration not less than the best that can reasonably be obtained.

The General Disposal Consent Order (England) 2003 gives consent for disposal at below best consideration reasonably obtainable provided that the undervalue is less than £2m and the proposal enhances the environmental economic and social wellbeing of the area.

Section 123(2A) Local Government Act 1972 indicates that, a local authority may not dispose of land held by it without advertising its intention to do so in the local press.

In coming to decisions in relation to management of assets, the Council must act in accordance with its statutory duties and responsibilities. Under case law following Section 120 of Local Government Act 1972, the Council is obliged to ensure that the management of its assets are for the benefit of the district.

In this case the land includes an office building car parking and overflow areas. It is considered to be part of the Public Open Space. However, this has been advertised as such for disposal and no comments were received. It should also be noted that as this area of land has been used for some years as a car park, the planning department have indicated that a lawful development certificate could be available. Best consideration reasonably obtainable is proposed by way of the marketing and tender process.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of Crime and Disorder, Equality and Diversity, Health Inequalities, Consultation/Public Engagement and Wards; and any significant issues are set out below.

None

Ward

St Pauls

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Clay Hall is a 2 storey late 19th Century property which is in poor condition having been vacated by the Council in 2012. It was used as Council offices and changing rooms.

The property has been vacant for the last 2/3 years.

The Council has obtained independent valuations and the property has been extensively marketed in order to obtain the best consideration possible.

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A tender process has also been conducted and the highest tender is in excess of the valuations obtained.

CURRENT POSITION

The building is empty and deteriorating. It is therefore a drain on the resources in terms of its upkeep.

The property is surplus to the Council's requirements for office space.

The sale price for the freehold is considered to be the Best Consideration Reasonably obtainable.

It is proposed that the sale is allowed to proceed. The capital receipt received presents the opportunity to reinvest the proceeds of the sale in property with a view to providing an income stream for the Council and this will be the subject of a future report to Members.

The financial details are contained in Part B of this agenda.

FURTHER HEADINGS RELEVANT TO THE REPORT

None

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Appendix A – Location Plan

Legend



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Map Notes

