

Key Decision Required:	No	In the Forward Plan:	No
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PORTFOLIO HOLDER FOR FINANCE AND CORPORATE RESOURCES

12th July 2018

A.1 INITIATION OF THE PROPERTY DEALING PROCEDURE: POSSIBLE SALE OF THE FREEHOLD TO HOWARD VYSE COURT

(Report prepared by Tim Clarke)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To consider whether to initiate the Council's Property Dealing Process for the possible sale of the freehold to Howard Vyse Court in Clacton.

EXECUTIVE SUMMARY

Howard Vyse Court is currently leased to Housing and Care 21 who have full repairing obligations.

Housing and Care 21 have approached the Council over the possibility of purchasing the freehold to the site.

RECOMMENDATION(S)

That the Portfolio Holder initiates the property dealing process, in respect of the possible sale of the freehold to Howard Vyse Court in order that Officers may consider the potential transaction, including valuation, examinations, and negotiations in accordance with the Council's Property Dealing Policy as set out in the Constitution.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Our priorities include providing decent affordable housing and to ensure all our residents live in high quality housing which meets local needs. To aid and support housing land allocations made which will support sustainable mixed developments and the supply of affordable housing sites apply high design standards to all new proposals.

To manage public money effectively meaning value for money principles are embedded in the delivery of all our services

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The property already attracts an income to the Council through the current lease and the sale of the freehold would result in a one-off income. Minimal costs will be incurred through obtaining site valuations but they are a necessary and important part of the decision making process.

Risk

Officers have not identified any significant risk associated with the proposals at this stage.

LEGAL

In coming to decisions in relation to management or procurement 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.

The Council has powers to compulsorily purchase land or buildings for housing purposes. In this instance the property is for sale on the open market.

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 this case it is not currently proposed to dispose of the freehold other than at Best Consideration Reasonably Obtainable.

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.

Area or Ward Affected

St Mary's

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Howard Vyse Court provides sheltered type residential accommodation for older persons and has been leased to Housing and Care 21 for several years. Housing and Care 21 have been looking at options for the improvement of the buildings on the site and have approached the Council about the possibility of purchasing the freehold.

The only way to determine whether this is an appropriate way forward and provides best value for the Council is to obtain valuations and make comparisons between the current income generated through the lease and the potential one-off income that sale of the freehold would generate.

CURRENT POSITION

Officers have indicated to Housing and Care 21 that the Council would seek to initiate the Property Dealing Procedure and obtain the necessary valuations in order to make a further decision.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

None