

<b>Key Decision Required:</b>	<b>No</b>	<b>In the Forward Plan:</b>	<b>No</b>
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## PORTFOLIO HOLDER FOR FINANCE AND CORPORATE RESOURCES

2 FEBRUARY 2018

### A.1 INITIATION OF THE PROPERTY DEALING PROCEDURE: PURCHASE OF TWO GARAGES IN GROVE AVENUE, WALTON

(Report prepared by David Black)

#### PART 1 – KEY INFORMATION

##### PURPOSE OF THE REPORT

To consider whether to initiate the Council's Property Dealing Process for the potential purchase of two garages in Grove Avenue, Walton.

##### EXECUTIVE SUMMARY

The Council have recently granted Planning approval to commence stage two of its environmental improvements to the Grove Avenue, Walton housing estate.

These improvements include the demolition of the existing council housing garage site and replacing it with a MUGA (Multi use games area) and re-building five new garages in an alternative location. Whilst most of the garages on the site remain in the Councils ownership there are two garages that were sold freehold with properties under Right to Buy.

In order to regain full ownership of the garage site to complete the improvements it will be necessary to buy back the two garages or alternatively negotiate with the owners the necessary agreement to the re-allocation of alternative new garages in a different location on the site and meet all the costs this will incur.

Purchase or transfer of these two garages back into the Councils ownership is essential to complete the environmental improvement work.

##### RECOMMENDATION(S)

**That the Portfolio Holder initiates the property dealing process, in respect of the potential purchase of two garages from their current owners (or similar alternative legal agreement/ transfer), 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 purchase of garages carries a financial cost but the transactions would be financed through funds already allocated for this improvement schemes from the HRA (Housing Revenue Account) Capital expenditure fund

### **Risk**

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

## **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.

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.

## **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**

Frinton and Walton

## **PART 3 – SUPPORTING INFORMATION**

### **BACKGROUND**

The demolition of the semi-derelict garage site on the Grove Avenue Housing Estate, the creation of a refuse and re-cycling compound and extensive re-landscaping represent the second phase of the environmental improvement scheme..

Two of the garages on the site were sold with council properties under Right to Buy and it will be necessary to negotiate with the owners the return/sale of these garages in order to complete the improvement works.

**CURRENT POSITION**

One of the garage owners has already registered an interest in selling back his garage to the Council and our intention is to negotiate this purchase and to negotiate with the other owner either the purchase or re-allocation to one of the alternative newly built garages which are also included within the improvement scheme

Authorisation is now required to enter into negotiations.

**BACKGROUND PAPERS FOR THE DECISION**

None

**APPENDICES**

Plan of the proposed environmental improvements