

DELIVERY OF THE COUNCIL'S CAPITAL RECEIPTS PROGRAMME THROUGH THE SALE OF SURPLUS LAND AND BUILDINGS AT SOUTH PARADE, PETERBOROUGH (FORMERLY GREENWOOD HOUSE)

CABINET MEMBER FOR RESOURCES - COUNCILLOR DAVID SEATON

March 2015

Deadline date : For immediate approval

Cabinet portfolio holder: Responsible Director:	Councillor David Seaton, Cabinet Member for Resources John Harrison, Corporate Director: Resources
Is this a Key Decision?	NO
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	NO

R E C O M M E N D A T I O N S

The Cabinet Member is recommended to:

1. Note that the Council is seeking to deliver Capital Receipts from the sale of Greenwood House, South Parade which is surplus to requirements, in order to support the Council's Medium Term Financial Plan (MTFP)
2. Note that officers have complied with Council rules on asset disposals and that the property is allocated for disposal in the financial year (FY)2014/15 Capital Receipts Programme; and
3. Authorise John Harrison, Corporate Director: Resources, to delegate authority to Jonathan Lewis, Service Director – Education, People Resources and Corporate Property to negotiate terms up to £500,000 and to complete the sale of the property by private treaty or public auction.

1. SUMMARY OF MAIN ISSUES

- 1.1 The Council is seeking to deliver Capital Receipts from the sale of Council assets which are surplus to requirements in order to support the Council's Medium Term Financial Plan (MTFP).
- 1.2 This report seeks approval to dispose of an asset that is included in the Capital Receipts Programme and is scheduled to be sold during FY 2014/15.
- 1.3 A disposal will generate a much needed capital receipt for reinvestment in public services through the Council's Capital Programme.

- 1.4 The property is not considered to be of strategic or operational significance that would warrant retention. A disposal will also remove the burden of ongoing holding and maintenance costs.
- 1.5 The anticipated capital receipt is expected to be more than £250,000 but less than £500,000. Therefore this is not a Key Decision.

2. PURPOSE OF THIS REPORT

- 2.1 This report is for Councillor David Seaton to consider exercising delegated authority under paragraph 3.4.3 of Part 3 of the constitution in accordance with the terms of his portfolio at paragraph (k).

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	
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4. DETAILS OF DECISION REQUIRED

4.1 BACKGROUND

- 4.2 The Cabinet Member is requested to approve the sale of land and buildings (for which the freehold is owned by the Council) that were operational until closure in late 2012 and which are now surplus to requirements.

- 4.3 Following closure, a period of extended internal consultation took place to determine whether or not any Council service areas had interim, strategic or operational requirements that would result in retention and reuse of the asset or deferral of the planned disposal. None were ultimately identified and the property has therefore been formally declared surplus to Council requirements.

- 4.4 Purpose built in the 1960's, the property is two storey providing 39 bedrooms (without private bathrooms), together with ancillary communal, catering and staff accommodation. The property lies within an established residential area and extends to approximately 1,640 sq m (17,600 sq ft) on a site of circa 0.42 hectares (1.05 acres).

- 4.5 The site and buildings offer potential for conversion to other uses or to be redeveloped to provide low to medium density housing, which would be consistent with the surrounding property types. Any proposals to change the use of the site will take into account the potential impact on neighbouring properties.

- 4.6 The site adjoins the former Peterborough District Hospital site, which lies immediately to the south as well as a smaller partially built out development site which lies immediately to the north (former St Nicholas' Reception Home). It is possible that the planned redevelopment of these adjacent sites could limit the value and saleability of the Councils asset for residential redevelopment in particular. This is because newly built housing on the subject site could be temporarily blighted by large scale neighbouring redevelopment.

5. CONSULTATION

- 5.1 Consultation has taken place with all Ward Councillors, Adult Social Care and the Service Director – Education, People Resources and Corporate Property.

6. ANTICIPATED OUTCOMES

- 6.1 The Cabinet Member for Resources will authorise the Corporate Director: Resources to complete the disposal of the property to generate a planned capital receipt in accordance with Council policy and the requirements of the Capital Receipts Programme.

7. REASONS FOR RECOMMENDATIONS & ANY RELEVANT BACKGROUND INFORMATION

- 7.1 The recommendation is being made to ensure that the Council meets its Capital Receipts Programme requirements and to minimise related slippage.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 Option 1 - Do nothing.

An operational decision to close the former care home was taken in advance of the property being declared surplus, therefore disposal is the consequential option in the absence of an internal requirement for the asset. A do nothing option is therefore not viable.

8.2 Option 2 - Retain the property and generate investment income.

Significant investment in the site and buildings would be required to generate an income from an alternative use. Such an approach would conflict with inclusion of the asset in the Capital Receipts Programme. Moreover, officers would not recommend investing in and retaining this particular asset in the Councils portfolio to generate investment income. Therefore this is not a viable option.

8.3 Option 3 - Re-use or redevelop the property as an alternate operational site for another Service.

No alternative operational requirements have been identified for the property or site. This is not a viable option.

9. IMPLICATIONS

9.1 Financial Implications

The Council has made an allowance in its 2014/15 budget for this asset to be sold during the course of the financial year. If this is not achieved the capital receipt will be carried forward and delivered in FY 2015/16.

9.2 Legal Implications

There are no legal implications as the asset is being sold at best value. In addition, the purchaser has agreed a clawback in the event that the property is sold in the future at an increased value.

10. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

None

11. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985) and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

- 11.1 A conveyance plan is attached showing the asset coloured red.