

PROPERTY DISPOSALS UPDATE

Policy & Performance Advisory Committee – 9 June 2015

Report of Chief Officer Communities & Business

Status: For Consideration

Also considered by: Cabinet – 16 July 2015

Key Decision: Yes

Executive Summary:

This report updates Members on the disposal of surplus property assets and seeks approval to revised disposal strategies in respect of two properties and approval to dispose of further property

This report supports the Key Aim of Asset Management Plan

Portfolio Holder Cllr Fleming

Contact Officer(s) Mark Bradbury Ext 7099

Recommendation to the Policy & Performance Advisory Committee

That:

- (a) the Committee consider the options for the disposal of Woodland at Hever Avenue, West Kingsdown set out in the exempt Appendix A and recommend the preferred option to Cabinet;
- (b) the Committee consider the options for disposal of land at Timberden Farm, Shoreham set out in the exempt Appendix A and recommend the preferred option to Cabinet; and
- (c) recommendations (a), (b), (e) and (f) of the recommendation to Cabinet be endorsed.

Recommendation to Cabinet

That:

- (a) delegated authority be given to the Portfolio Holder for Policy & Performance in consultation with the Head of Economic Development and Property to approve the terms of a disposal of land at Croft Road, Westerham following the bidding process;
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- (b) delegated authority be given to the Portfolio Holder for Policy & Performance in consultation with the Head of Economic Development and Property to approve the terms of a disposal of land at Knole Way, Sevenoaks following the bidding process;
 - (c) subject to the views of the Policy & Performance Advisory Committee, Cabinet consider the options for the disposal of Woodland at Hever Avenue, West Kingsdown set out in the exempt Appendix A;
 - (d) subject to the views of the Policy & Performance Advisory Committee, Cabinet consider the options for disposal of land at Timberden Farm, Shoreham set out in the exempt Appendix A;
 - (e) an initial budget of £20,000 from Capital Reserves be approved to appoint architects to prepared development options for the Bevan Place Car Park/Swanley Working Men's Club/16 High Street site; and
 - (f) a budget of £61,000 from Capital Reserves be approved to enhance the value of sites at: Timberden Farm, Shoreham; Hever Avenue, West Kingsdown; and Knole Way, Sevenoaks prior to disposal
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Reason for recommendation: Disposal of surplus and underperforming assets will generate capital receipts that can be reinvested in higher performing assets in accordance with the Council's approved Property Investment Strategy.

Introduction and Background

- 1 At its meeting on 25 March 2014 the Finance & Resources Advisory Committee recommended to cabinet that they approve the disposal of the following properties:-

Timberden Farm, Shoreham

27 -37 High Street, Swanley

Land at Bevan Place, Swanley

16 High Street, Swanley

Land at Croft Road, Westerham

Woodland at Hever Avenue, West Kingsdown

Land at Viking Way, West Kingsdown

Land at Deanery Road, Crockham Hill

Land adjacent to 12 Knole Way, Sevenoaks

Land adjacent to 56 Sheddon Close, Sevenoaks

- 2 Cabinet on 10 April 2014 approved the disposals in principle.

- 3 Progress on the disposals had been slower than intended due to the departure of the Property and Facilities Manager in late 2014 but significant progress is now being made as follows: -

Land at Croft Road, Westerham

- 4 Marketing of this site had been held off pending adoption of the Council's Allocations & Development Plan (ADMP). As this has now been adopted and this site allocated for development, advice has been taken on marketing and suitable firms invited to tender to carry out the marketing.
- 5 Demand for sites of this size is considered to be particularly healthy at the moment and all agents consulted advised that there should be no need to secure planning consent prior to marketing. RPC Land have therefore been appointed and marketing commenced on 13 May. The site is being offered by informal tender with best bids by 25 June. A guide price of 'Offers in the Region of £3,000,000' has been advertised.
- 6 SDC's Housing Team has expressed interest in part of the site being developed as an exemplar, low energy, affordable scheme and Housing Associations are being encouraged to submit bids on that basis. These bids will be considered alongside open market bids.
- 7 The committee is asked to recommend that delegated authority is given to the Portfolio Holder for Policy & Performance in consultation with the Head of Economic Development and Property to approve the terms of a disposal following the bidding process.

Land at Viking Way and to the rear of 140 Hever Avenue, West Kingsdown

- 8 Advice has been taken from Auctioneers on the likely value of these parcels of land at auction. The larger parcel is landlocked and the smaller parcel of insufficient size on its own to develop. Cabinet subsequently approved the placing of the property at auction with no reserve.
- 9 Prior to placing the property at auction neighbours and the parish council were notified of the intention to sell and interest was received from a number of people interested in bidding. Best bids were therefore invited and a number received.
- 10 The highest bid received was from a neighbouring owner interested in extending an existing garden and providing an alternative access to a property he had already secured planning consent to develop. Following discussion with the Auctioneer and the Portfolio Holder for Finance & Resources terms were agreed and the sale has now completed.
- 11 A claw back provision has been included meaning that should the land be developed within the next 80 years the council will receive 25% of the uplift in value. The sale price achieved was £23,500.

The committee is asked to note the disposal of this property.

Land at Deanery Road, Crockham Hill

- 12 Advice was also taken on the likely value of this site at auction. The site is accessed via a single track lane that would need to be widened to allow development and there are restrictive covenants in place preventing development of the site. Westerham Town Council were also asked whether they would support a rural needs study to establish whether residential development could be supported on the site and they responded that they would not.
- 13 The market assessment was therefore based on amenity use and Cabinet agreed to place the property at Auction with a set reserve. Following discussion with neighbours and the Town Council it was, however, agreed to delay putting the property to auction to allow time for the community to formulate a bid for the site.
- 14 A Community Interest Company (CIC) has now been established to acquire the site at a figure which falls within the Auctioneer's valuation range and above the reserve agreed by cabinet. The proposal will also deliver a number of community benefits and following discussion with the Portfolio Holder for Finance & Resources, solicitors have been instructed to complete the sale. A restrictive covenant will be imposed preventing use or development of the site for commercial or residential purposes. Details of the sale price are contained in the exempt Appendix A.

The committee is asked to note the disposal of this property.

Land adjacent to 56 Sheddon Close, Sevenoaks

- 15 Best bids have been invited for this site and terms agreed with an adjoining owner who will continue to use the land as an extension to his garden. Solicitors are instructed. The agreed price is in excess of the market assessment provided by an independent valuer. A claw back clause has been included meaning that should the land be developed within the next 80 years the council will receive 25% of the uplift in value. Details of the sale price are contained in the exempt Appendix A.
- 16 There was no interest from West Kent Housing Association who own adjacent amenity land.

The committee is asked to note the disposal of this property.

Land Adjacent to 12 Knole Way, Sevenoaks

- 17 Agents have been consulted on the disposal of this site and have advised that the most appropriate route to achieving best value would be to seek offers for the site on a subject to planning basis.
- 18 Agents have now been appointed and the property will be marketed shortly. The guide price is set out in the exempt Appendix A.
- 19 The Knole Paddock Residents Association have been made aware of the proposed disposal and are supportive in principle of the development of a single family residence on the site.

The committee is asked to recommend that delegated authority is given to the Portfolio Holder for Policy & Performance in consultation with the Head of

Economic Development and Property to approve the terms of a disposal following the bidding process.

27 – 37 High Street, Swanley (Former Meeting Point)

- 20 Vacant possession of this site has been secured and outline planning consent granted for redevelopment to provide c. 385 square metres of commercial (retail or office) space at ground floor with 14 flats (12 x 1 bedroom, 2 x 2 bedroom) apartments on the first and second floors. The planning application is scheduled to go to Development Control Committee on 28 May. The outcome of the meeting will be reported verbally to the committee.
- 21 Proposals for development or disposal of the site will be prepared alongside those for the Bevan Place Car Park and 16 High Street Swanley and brought before members for consideration shortly.

Bevan Place Car Park and 16 High Street, Swanley

- 22 Following the recent acquisition of the Swanley Working Men's Club disposal of the adjoining Bevan Place car park and 16 High Street has been put on hold.
- 23 Proposals for the development or disposal of the combined site will be brought before members for consideration shortly.

The Committee is asked to recommend approval of an initial budget of £20,000 to appoint architects to prepared development options for the Bevan Place Car Park/Swanley Working Mens Club/16 High Street site.

Woodland at Hever Road, West Kingsdown

- 24 This land had previously been identified for disposal to West Kingsdown Parish Council however at Cabinet on 10 April 2014 it was agreed that advice on the value of the site should be sought and if appropriate the property offered for sale by auction.
- 25 Options for disposal of the site are set out in the exempt Appendix A.

The committee is asked to consider the options and recommend the preferred option.

Timberden Farm, Shoreham

- 26 Timberden Farm was extensively marketed in 2014 in 4 lots or as a whole. No offers were received for the whole and no offers or combination of offers were received at a level which could be recommended. It was agreed that the property would be withdrawn from the market and remarketed this summer.
- 27 In the meantime the previous tenant has vacated and a new short term (sheep) grazing license entered into to keep the grass short.
- 28 Options for disposal of the site are now presented in exempt Appendix A.

The committee is asked to consider the options and recommend the preferred option.

Additional Land Identified for Disposal

Land adjacent to Shacklands Cottages, Badgers Mount

- 29 The council owns an area of woodland in Badgers Mount adjacent to the M25 motorway. This land lies outside of the areas of woodland managed as an amenity for the public.
- 30 Part of the woodland, edged green on the attached plan has been sold on a long lease to one adjoining owner. That owner is now interested in acquiring further land and their neighbour is also interested. Between them they are interested in acquiring all of the land.
- 31 It is proposed that all other adjoining property owners are approached to establish their interest in the land at the asking price set out in exempt Appendix A. Subject to the interest received it is proposed that the land is sold in appropriately sized parcels with the freehold of the leasehold land simultaneously transferred to the leaseholder.

The committee is asked to recommend that delegated authority is given to the Portfolio Holder for Policy & Performance in consultation with the Head of Economic Development and Property to approve the terms of a disposal following further negotiation.

Conclusions

- 32 Members of the Policy and Performance Advisory Committee are asked to note the progress being made in disposing of surplus or underperforming assets and support the recommendations for further action outlined above.

Key Implications

Financial

Disposal of these sites will deliver capital receipts to the council. In order to enhance the value of sites for disposal and where appropriate secure planning consent

Legal Implications and Risk Assessment Statement.

Resources from the Council's legal team are and will continue to be needed to complete the disposal process.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Appendices

Appendix A - Exempt information on disposal and marketing terms.

Appendix B - Site Plan of Land adjacent to
Shacklands Cottages, Shoreham

Background Papers: None

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