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| Report to: | Portfolio Holder for Assets and Strategic Planning |
| Report of: | Deputy Chief Executive - Programme Delivery and Assistant Director, General Fund Assets. |
| Report Author: | Strategic and Operational Property Manager |
| Subject: | Disposal of Surplus Land and Property Assets |
| Purpose: | To secure a decision from the Portfolio Holder to declare the land and property assets set out on this report surplus and seek to dispose by way of freehold disposal, long lease or short tenancy. |
| Key Decision: | Yes |
| Ward(s) Affected: | Various |
| Exempt Report? | No |

Summary

South Holland District Council hold a range of land and property assets, some make limited or no positive contribution to the asset portfolio of the Council. The South and East Lincolnshire Councils Partnership Asset Management Strategy 2023 – 2028 set out that:

Assets can be declared surplus and/or disposed of for a number of reasons...including but not being limited to when:

- they make no contribution to the delivery of services
- their retention is not economically viable
- they afford no strategic or value opportunity, or when;
- an alternative has been identified which would be more cost effective.

The assets referred to in this report are considered to be surplus for one or more of the reasons above.

In addition, the Council is developing a sustainable resourcing strategy to support its capital programme, with any capital receipts/revenue income generated from asset transactions forming part of its funding strategy. It is therefore necessary to move at pace in getting the assets set out in this report to the market.

Recommendations

That the Portfolio Holder exercise their delegation to:

- Declare the sites set out in this report surplus.
- Where applicable, notify any tenant or licensee occupying any land declared surplus of the Council's intention to secure vacant possession and dispose of sites set out.
- Where applicable, secure vacant possession of the sites set out in this report.
- Work with any existing tenants/licensees of the sites referred to in this report to relocate should the opportunity be available.
- Publish any and all statutory notices required in relation to the potential disposal of any land that could be deemed 'public open space'.
- Appoint an agent to offer the sites to the market for freehold disposal, long lease or short tenancy.
- Delegate authority to the Strategic and Operational Property Manager to negotiate any offers received and, following consultation and sanction of the Portfolio Holder, accept any offer certified by a Registered Valuer as representing market value and best consideration in accordance with section 123 of the Local Government Act 1972.
- Delegate authority to the Strategic and Operational Property Manager to include any and all relevant and necessary covenants or clauses into any resulting conveyances, leases or licences.
- Notify all applicants on the Council's Self-build and Custom Housebuilding that the Council will be marketing the land and property assets set out in this report for freehold or leasehold disposal or short tenancy.

In the event any representations are made in relation to the potential disposal of public open space, such representation will be formally considered by the Cabinet before any decision to dispose can or will be made.

The Portfolio Holder reserves the right to withdraw any site from the market at any time.

Reasons for Recommendations

Assets can be declared surplus and/or disposed of for a number of reasons...including but not being limited to when:

- they make no contribution to the delivery of services
- their retention is not economically viable
- they afford no strategic or value opportunity, or when;
- an alternative has been identified which would be more cost effective.

The land and property assets referred to in this report are considered to be surplus for one or more of the reasons above.

In addition, the Council is working to formulate a sustainable resourcing strategy in order to deliver a new Spalding Leisure Hub, with receipts generated from asset disposals forming part of that funding strategy. It is therefore necessary to move at pace in getting the assets set out in this report to the market.

Other Options Considered

- 1 Do nothing in respect of the land and property assets set out within this report – retention of the sites would retain all current cost and risk pressures the sites present, and, in the absence of any sustainable business case for investment in the sites for their alternative use is not recommended.

- 2 Invest in all of the land and property assets set out in this report to improve their visual amenity and overall condition, accepting that there will be limited or no return on any investment as no sustainable business case has been able to be developed – not recommended.

1. Background

- 1.1 The Council holds a broad range of land and property assets; some of which provide limited or no material amenity, income or other value to the Council; indeed some assets present significant cost risks that could lead to health and safety risks if responsive repair and maintenance requirements are not met and capital investment is not available in the short to medium term. This report recommends that nine Council land and property assets are declared surplus, with due process being followed so they can be put to the market, disposed of in the most appropriate way or let by way of a short tenancy where there is a compelling case to do so

2. Report

- 2.1 As set out in the South and East Lincolnshire Councils Partnership Asset Management Strategy 2023 – 2028, *'Assets can be declared surplus and/or disposed of for a number of reasons...including but not being limited to when:*

- *they make no contribution to the delivery of services*
- *their retention is not economically viable*
- *they afford no strategic or value opportunity, or when;*
- *an alternative has been identified which would be more cost effective.'*

The sites set out below, and shown in Figures 1 – 11 at the end of this report, have been reviewed by various service teams over the years for development/redevelopment by the Council; none of those reviews resulted in a sustainable business case being produced and there is no reasonable notion of a sustainable business case being able to be developed by the Council in its current operating environment that would drive better 'value' from the assets than putting them to the market for freehold or leasehold disposal or for short tenancy where there was a compelling case from the market for such; as a consequence, they are considered by officers to be surplus for one or more of the reasons above.

- Garage site - Sandringham Walk, Spalding
- Garage site - Spring Gardens, Long Sutton
- Garage Site - Gleed Avenue, Donington
- Land known as 'Shed 5', Kings Road, Spalding
- Land known as 'The old swimming pool site', Pinchbeck Road, Spalding
- Land at Park Lane, Long Sutton
- King Street Car Park, Sutton Bridge
- Land at Gore Lane, Spalding
- Land at Chalk Lane, Sutton Bridge
- Garage site and land – Edinburgh Walk, West Pinchbeck
- Land known as 'The Limmings Building, Holbeach'

- 2.2 Also underpinning the recommendations of this report, the Council is working to formulate a sustainable resourcing strategy in order to deliver a new Spalding Leisure Hub, with receipts generated from asset disposals forming part of that funding strategy. It is therefore necessary to move at pace in getting the nine assets set out at section 1.2 to the market.

- 2.3 By exposing the assets to the market, the Council will satisfy the requirement for achieving 'best consideration' in accordance with Section 123 of the Local Government Act 1972. Whilst it is perfectly lawful, and indeed often strategically sensible for a local authority to effect 'off market' land and property transactions at 'market value' (as assessed by a Registered Valuer in accordance with the relevant Valuation Practice Statements set out by the Royal Institution of Chartered Surveyors), and indeed, in prescribed circumstances, to dispose of land and property assets at 'less than best consideration' using the exemptions prescribed within Circular 6/2003, neither of those two options is being recommended in this instance.

3. Conclusion

- 3.1 The nine assets set out within this report provide limited or no material benefit to the Council and indeed present it ongoing cost pressures. In order to reduce cost and other risks of holding land and property assets, and to generate usable capital receipts to support Council investment into its priorities, the recommendations of this report are made to the Portfolio Holder.

Implications

South and East Lincolnshire Councils Partnership

None

Corporate Priorities

Supports the Partnerships Growth and Prosperity priority.

Staffing

None

Workforce Capacity Implications

None

Constitutional and Legal Implications

The recommendations of this report are made in line with the Council's constitutional requirements. A number of legal processes are required to be followed and to be met in implementing the recommendations of this report, including: ensuring 'best consideration' is achieved for any land or property asset disposed by way of freehold conveyance or long lease; lawfully terminating any tenancy or licence in existence in relation to any of the land and property assets set out within this report and ensuring that any land that meets or could meet the definition of 'public open space' is advertised for disposal in accordance with the requirements of the Local Government Act 1972.

In accordance with Section 2(1) of the Self-build and Custom Housebuilding Act 2015, SHDC has had regard for the 107 applicants on the SHDC Self-build and Custom Housebuilding Register when developing plans to dispose of these sites. One of the report's recommendations is therefore that all applicants on the CSB register be notified that the Council is marketing land for sale. Applicants on the register will therefore have the opportunity to submit proposals to the Council's appointed sales agent for any site they consider to be suitable for the purposes of custom and self-build housing based on their own due diligence.

Data Protection

None.

Financial

The revenue costs associated with the recommendations of this report will be met from any capital receipts secured or lease revenues generated; in the event that none of the land or property assets set out in this report are sold or otherwise disposed of, the revenue costs for marketing will be met from existing General Fund Asset budgets. Any capital receipts generated will be used by the Council to fund its capital priorities. Any revenue generated by the lease/licence of any land and property assets set out within this report will be used by the Council in accordance with its policy framework

The value of any land and property transactions will be dictated by the market, but are expected to significantly exceed the value thresholds set by the Council in relation to key decisions.

Risk Management

No specific risks outside of the Council's risk management framework have been identified.

Stakeholder / Consultation / Timescales

Relevant Ward Members, the Chairman of PMP and the Cabinet member with responsibility for Housing have been informed of the Portfolio Holder's intention to market / dispose of the land and property assets set out in this report.

Upon the recommendations being accepted by the Portfolio Holder, anyone holding a Tenancy of a garage/parking space declared surplus will be notified of the Council's intention to dispose of the respective site they occupy. Tenants will be advised that in the event any offer made meets the Council's requirements, they will be served Notice to vacate in accordance with their Tenancy Agreement; in any such event, Tenants will be advised of the closest alternative site with vacancies that they may be able to rent.

Members in whose area the garage sites recommended for disposal in this report are located have been asked to signpost any concerns that may be raised with them by any garage or parking space tenant in their ward directly to the Council's Strategic and Operational Property Manager.

Reputation

Disposal should have positive reputational impact as some of the sites are visually unappealing and can sometimes suffer from ASB and vandalism.

Contracts

None.

Crime and Disorder

Disposal of the sites for alternative use/management should reduce the ASB and vandalism that a number of the sites have periodically suffered.

Equality and Diversity / Human Rights / Safeguarding

None.

Health and Wellbeing

None.

Climate Change and Environment Impact Assessment

Not undertaken.

Acronyms

None.

Appendices

None.

Background Papers

Document title

Where the document can be viewed

The South and East Lincolnshire
Councils Partnership Asset
Management Strategy 2023 – 2028

www.sholland.gov.uk

Chronological History of this Report

A report on this item has not been previously considered by a Council body.

Report Approval

Report author: Marc Whelan, Strategic and Operational Property Manager,
Marc.whelan@sholland.gov.uk

Signed off by: Andy Fisher, Deputy Chief Executive - Programme Delivery and
Assistant Director, General Fund Assets.
Andy.fisher@boston.gov.uk

Approved for publication: Councillor Henry Bingham, Portfolio Holder for Assets and
Strategic Planning.

Checklist – Complete before submission to Democratic Services

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| S151 Officer consulted on financial implications: | Yes |
| Monitoring Officer consulted on legal and constitutional implications: | Yes |
| Have PSPS been consulted in regard to any aspect of this report that might require action on their part? | NA |
| Has a copy of the approved report been sent to shaungibbons@sholland.gov.uk for awareness? | Yes |
| Portfolio Holder consulted: | Yes |
| Ward Member consulted: | Yes |

Figure 1 – Sandringham Walk, Spalding

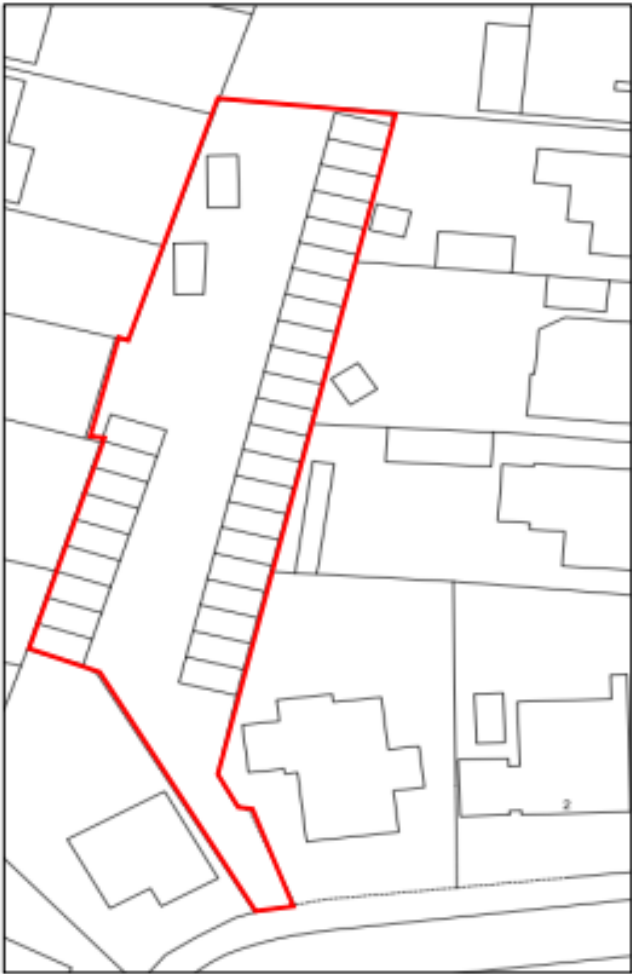


Figure 2 – Spring Gardens, Long Sutton

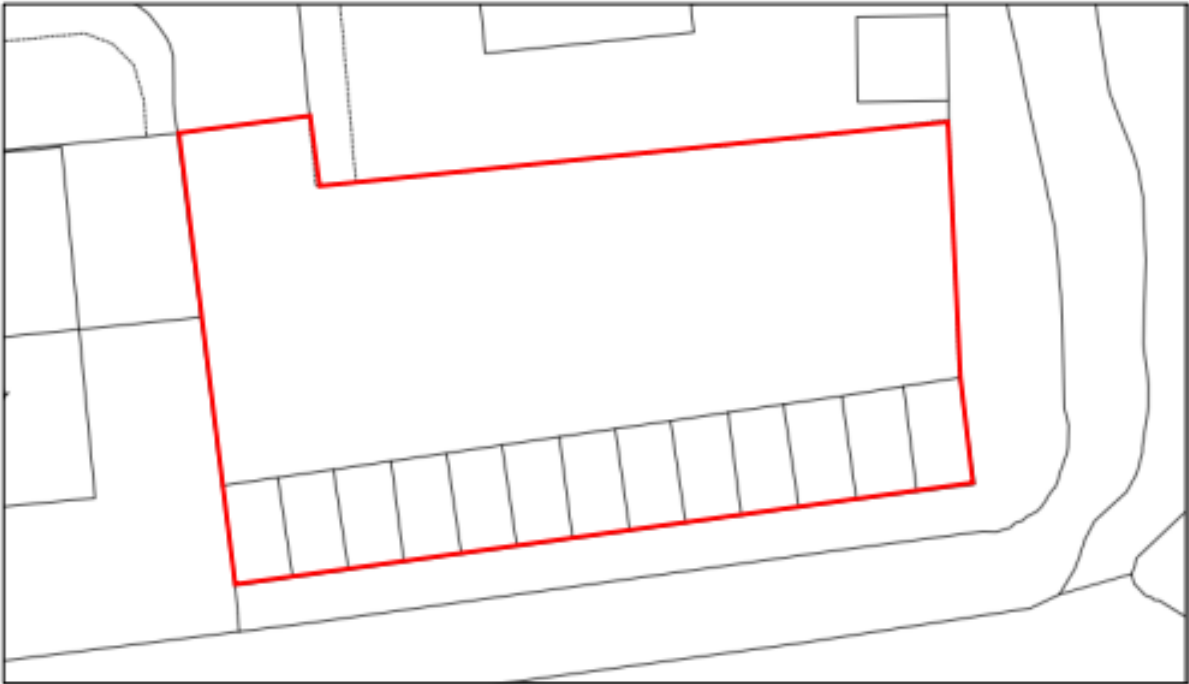


Figure 3 – Gled Avenue, Donington



Figure 4 – Land know as Shed Five, Kings Road, Spalding

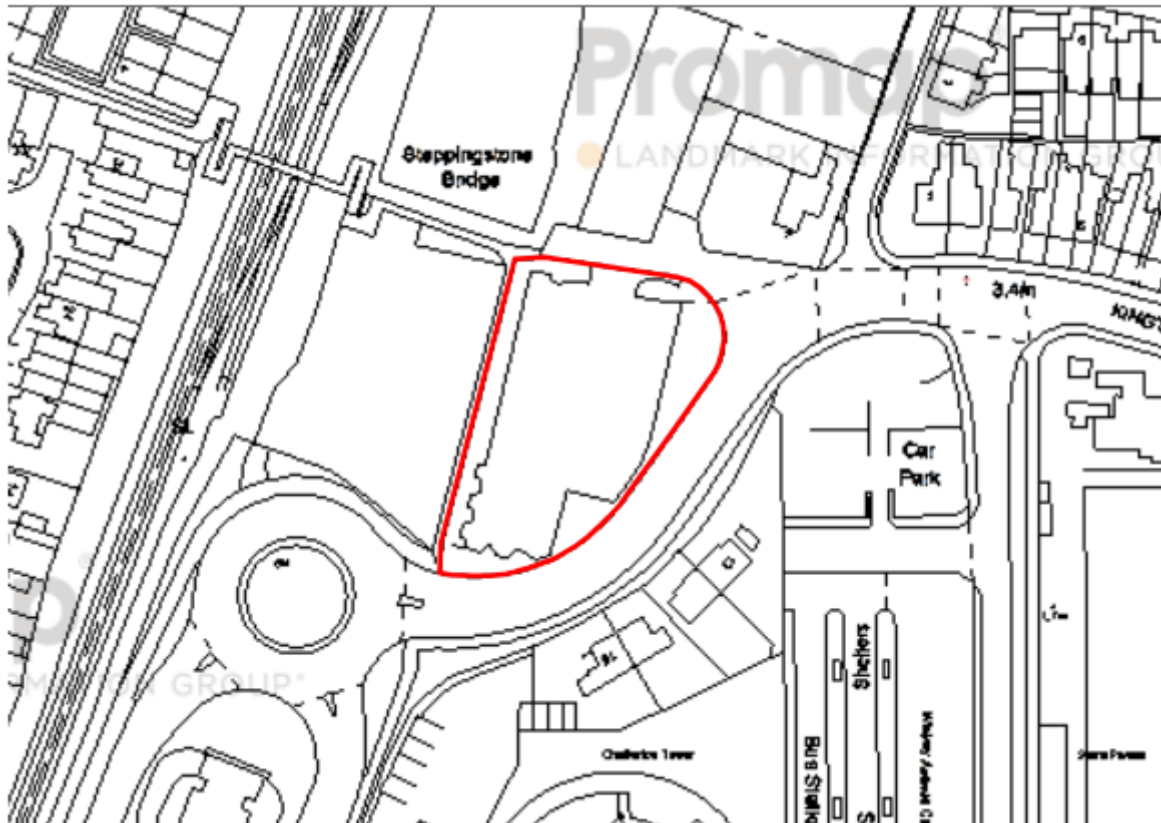


Figure 5 – Land known as the Old Swimming Pool Site, Pinchbeck Road, Spalding

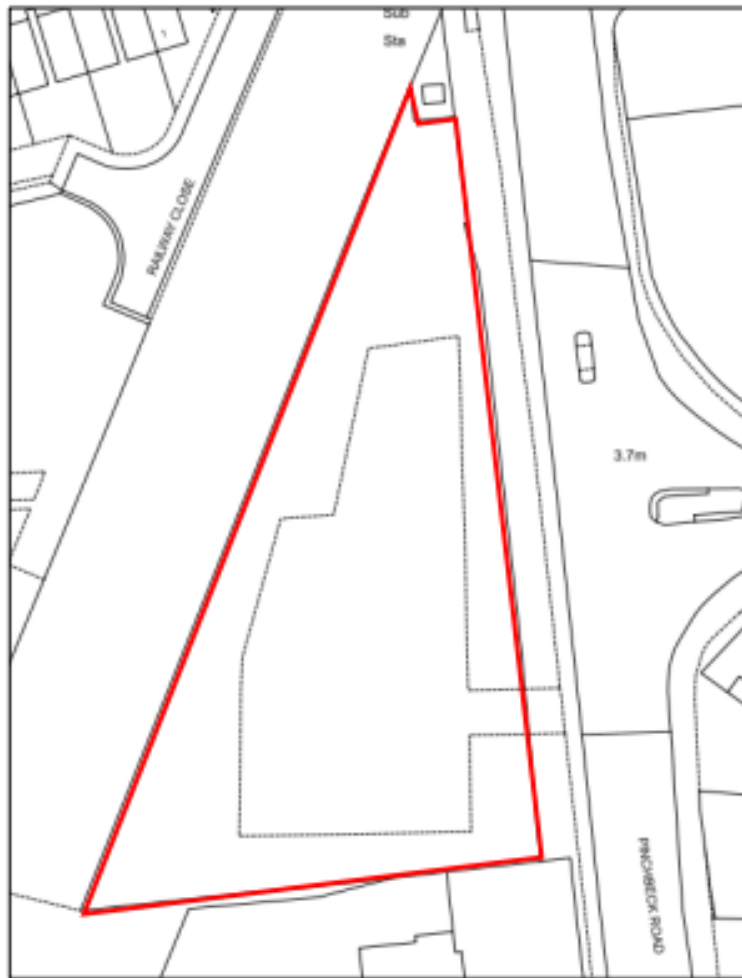


Figure 6 – Land at Park Lane, Long Sutton



Figure 7 – King Street Car Park, Sutton Bridge

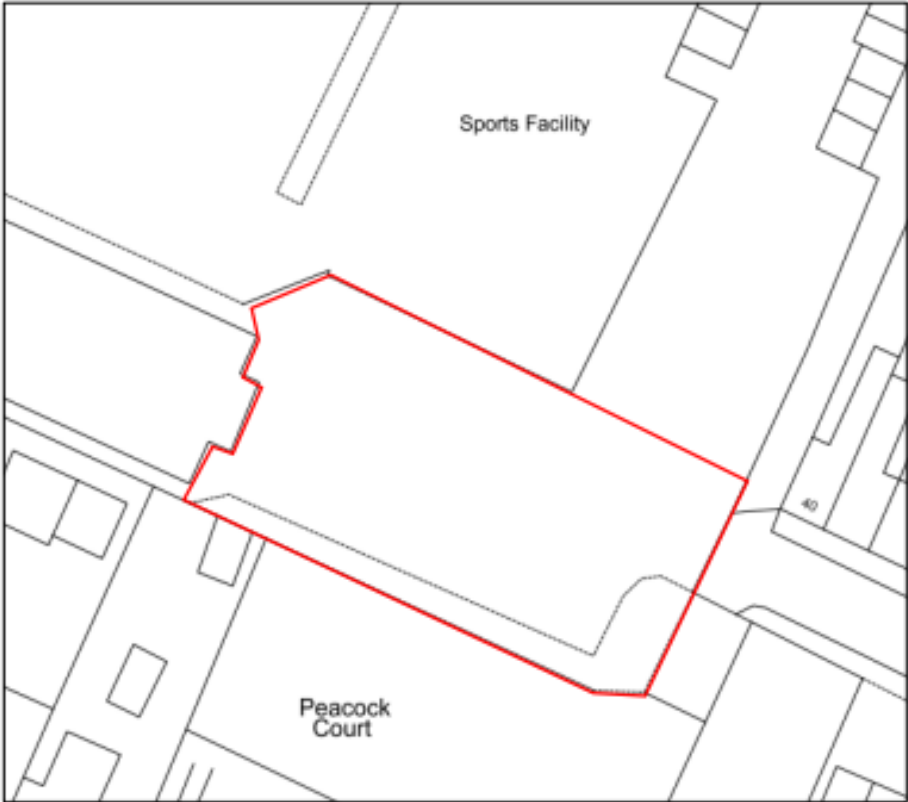


Figure 8 – Land at Gore Lane, Spalding.



Figure 9 - Land at Chalk Lane, Sutton Bridge

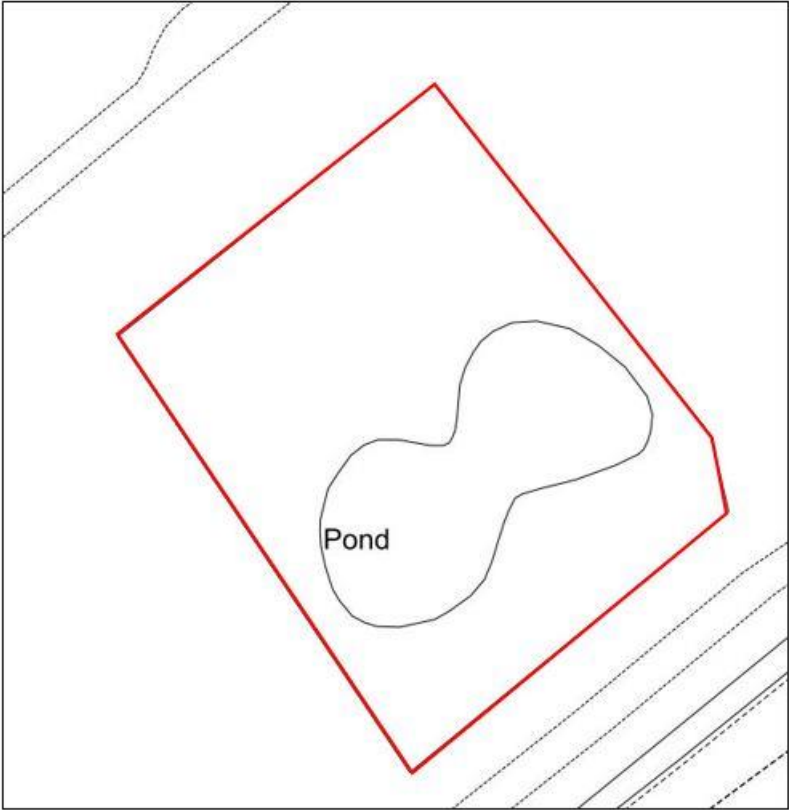


Figure 10 – Garage site – Edinburgh Walk, West Pinchbeck



Figure 11 – Land known as ‘The Limmings Building, Holbeach



NB: In colour due to established not straight forward boundaries