

# Taunton Deane Borough Council

## Executive – 4 August 2016

### Disposal of Freehold Interest in former Park Keeper's Bungalow at 277 Cheddon Road, Taunton

This matter is the responsibility of Executive Councillor Mark Edwards, Portfolio Holder Business Development, Asset Management and Communications

Report Author: Ken Francis, Asset Strategy Surveyor

#### 1 Executive Summary / Purpose of the Report

- 1.1 The property is vacant, having formerly been in use as park keeper's residential accommodation. Support is requested to sell the Freehold interest by way of auction.

#### 2 Recommendations

- 2.1 It is recommended that the Executive is requested to support the sale of 277 Cheddon Road, Taunton by auction, with a reserve price to be set by Asset Management in conjunction with the Portfolio Holder prior to sale.

#### 3 Risk Assessment

##### Risk Matrix

Description	Likelihood	Impact	Overall
Key Issue b. of Key Theme 4, Corporate Strategy 2016-20. Make better use of our land and property assets; investing in, transferring or selling assets where it makes sense to do so, not achieved	Almost certain (5)	Moderate (3)	High (15)
<i>The mitigations for this are the proposed changes as set out in the report</i>	<i>Unlikely (2)</i>	<i>Moderate (3)</i>	<i>Low (6)</i>

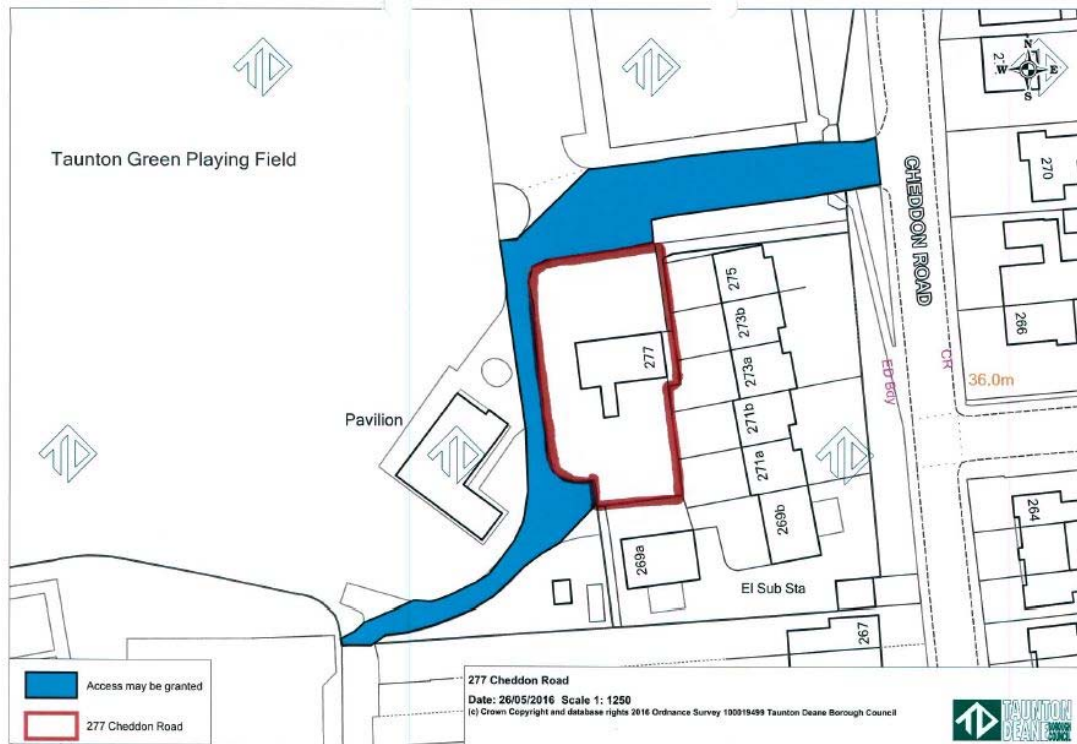
### Risk Scoring Matrix

<b>Likelihood</b>	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
<b>Impact</b>							

Likelihood of risk occurring	Indicator	Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at same time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally	50 – 75%
5. Very Likely	Regular occurrence (daily / weekly / monthly)	> 75%

## 4 Background and Full details of the Report

- 4.1 The property comprises a 2 bedroom detached bungalow on a flat regular shaped plot of approximately 0.19 acres (0.08 Ha) and for identification purposes shown edged by the bold line on the plan below. The site is located within an established residential area, bordering Taunton Green Recreation Ground.
- 4.2 The shaded area on the plan is the area that will be considered for granting rights of access to the bungalow. Rights of access will not necessarily be granted over the entirety of the shaded area.



- 4.3 The bungalow has been vacant for some time and has fallen into a state of disrepair following lack of occupation and vandalism.
- 4.4 An assessment of investment return has been carried out assuming that the bungalow is refurbished and let at a market rent. This shows a low investment return, reflecting low rent relative to the capital value of the property. Higher investment returns would be available from compact 2 and 3 bedroom houses.
- 4.5 TDBC's Planning Department have confirmed that they would be supportive of a proposal to redevelop the site for denser single storey housing. Such development would comprise 3 or 4 semi-detached or terraced bungalows. No schemes have been drawn up and so it is not clear how many bungalows would be accommodated on the site. Market forces, controlled by planning considerations, will dictate the extent and form of development.
- 4.6 Valuations commentary is set out in the confidential Appendix, as are the merits of applying for a planning permission for development before sale.
- 4.7 Auction is proposed in preference to a tender process as the sale is contractually enforceable upon the fall of the hammer, therefore adding speed and certainty and minimising ongoing cost. The auction process should ensure market value is obtained. Costs are not excessive being approximately 0.5% of the transaction figure plus £1,000 for advertising with an additional £1,000 for further advertising should we consider it necessary at the time. There are likely to be other relatively minor ancillary costs also.
- 4.8 The auction reserve price will be set in consultation with the Portfolio Holder prior to sale and will be influenced by feedback and responses to marketing and advice from

the auctioneer.

- 4.9 Use of Lambert Smith Hamptons auction services has been confirmed by David Carpenter, Procurement Manager, TDBC as meeting the Council's procurement requirements

## **5 Links to Corporate Aims / Priorities**

- 5.1 The proposal supports Key Issue b. of Key Theme 4, Corporate Strategy 2016-20. *Make better use of our land and property assets; investing in, transferring or selling assets where it makes sense to do so.* It makes sense to sell in this case as the asset is redundant. Visibility of this redundant and deteriorating asset provides a strong impetus. A private firm or individual will invest in the property and bring it into productive economic use.
- 5.2 The proposal is in line with the adopted Asset Strategy and Decision Making Framework 2014-17. Particularly:
- in meeting the council's property objective, "To have a lean property portfolio that meets the council's business and service needs efficiently";
  - in complying with the overall approach element of releasing capital from the portfolio;
  - in complying with the overall approach element of making sure that the Council only holds land that it will need in the foreseeable future.

## **6 Finance / Resource Implications**

- 6.1 A capital receipt in the region of the figure indicated in the confidential Appendix , after direct costs. Removal of management workload from Asset Management. Removal of ongoing maintenance obligation. Removal of cost in responding to vandalism.
- 6.2 Finance support this proposal.

## **7 Legal Implications**

- 7.1 The proposed disposal has been publicised as legally required by Section 123 of the Local Government Act 1972 and has not raised significant objections.
- 7.2 The property is subject to a restrictive covenant, "Not to use or permit the land to be used other than as a public recreation ground and open space for the playing of games and the public recreation of the community". This has not been registered and so does not apply to a purchaser. It does apply to the Council as the existing owner, however.
- 7.3 A right of way will be granted across retained land.

## **8 Environmental Impact Implications**

- 8.1 No exceptional matters.

## **9 Safeguarding and/or Community Safety Implications**

9.1 None.

## **10 Equality and Diversity Implications**

10.1 The proposed method of disposal does not discriminate and should be neutral with regard to equality and diversity.

## **11 Social Value Implications**

11.1 Use of a national auctioneer to ensure market value achieved.

## **12 Partnership Implications**

12.1 None.

## **13 Health and Wellbeing Implications**

13.1 No negative implication.

## **14 Asset Management Implications**

14.1 This is an Asset Management led report.

14.2 Asset management has invested resource in bringing this proposal forward for consideration.

14.3 The proposal is in line with the adopted Asset Strategy and Decision Making Framework 2014-17. Particularly:-

- in meeting the council's property objective, "To have a lean property portfolio that meets the council's business and service needs efficiently";
- in complying with the overall approach element of releasing capital from the portfolio;
- in complying with the overall approach element of making sure that the Council only holds land that it will need in the foreseeable future.

## **15 Consultation Implications**

15.1 TDBC service units have been consulted and are supportive. This consultation has involved publication of the proposal by e.mail and discussion with Cyril Rowe, Open Spaces Manager. James Barra, Director Housing and Communities, requested that we discuss the investment argument (market rent) with Jo Humble, Enabling and Development Manager and Lucy Clothier, Project Manager HRA Business Plan. There is consensus that the returns are insufficient.

15.2 Disposal has been publicised as legally required by Section 123 of the Local

Government Act 1972 and has not raised significant objections.

## 16 Scrutiny Comments

16.1 The Corporate Scrutiny Committee supported the sale of 277 Cheddon Road, Taunton by auction, with a reserve price set by Asset Management in conjunction with the Portfolio Holder prior to the sale and look into obtaining outline planning permission prior to auction.

### Democratic Path:

- Scrutiny – Yes
- Executive – Yes
- Full Council – No

Reporting Frequency: Once only

### List of Appendices

Appendix	Confidential elements of the report
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### Contact Officers

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