

Decision Maker: RESOURCES PORTFOLIO HOLDER

Date: For pre-decision scrutiny by the Executive and Resources Policy development and Scrutiny Committee at its meeting on Thursday 18 July 2013

Decision Type: Non-Urgent Executive Key

Title: 116-118 ANERLEY PARK, PENGE

Contact Officer: Heather Hosking, Head of Strategic Property
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Chief Officer: Director of Regeneration & Transformation

Ward: Crystal Palace;

1. Reason for report

This report seeks agreement to the delegation of the decision on the acceptance of an offer or offers for these properties to suit the method of marketing proposed.

2. **RECOMMENDATION(S)**

2.1 **The Executive and Resources PDS Committee is requested to consider the proposed decision by the Resources Portfolio Holder and**

2.2 **The Resources Portfolio Holder is requested to agree that the authority to accept an offer or offers for these properties should be delegated to the Director of Regeneration and Transformation, in consultation with the Resources Portfolio Holder, to enable the sale to be progressed quickly.**

Corporate Policy

1. Policy Status: Existing Policy: Maximising assets
 2. BBB Priority: Excellent Council:
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Financial

1. Cost of proposal: A capital receipt in excess of £700k should be generated. The cost of the estate agent will be recovered from the purchaser.
 2. Ongoing costs: Council tax and utility standing charges will be incurred pending sale.
 3. Budget head/performance centre: Surplus Properties
 4. Total current budget for this head: £10,000
 5. Source of funding: Existing revenue budget 2013/14
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Staff

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours:N/A
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Legal

1. Legal Requirement: Statutory Requirement:S 123 of the 1972 Local Government Act
 2. Call-in: Applicable:
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Customer Impact

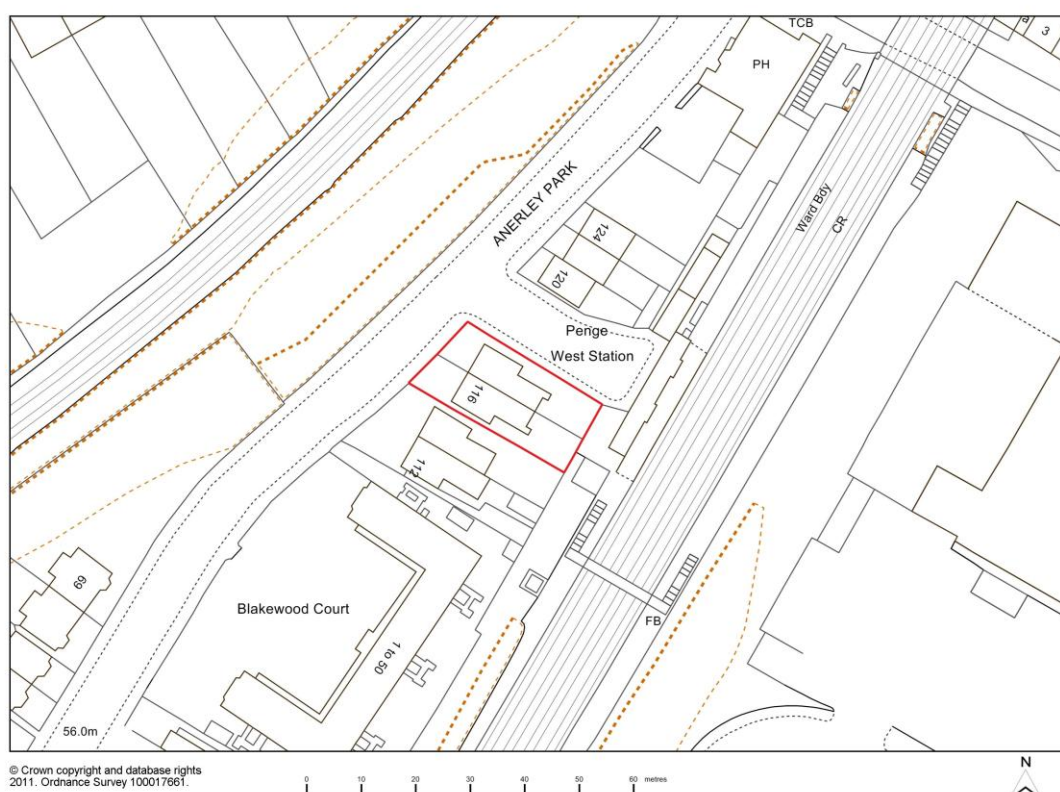
1. Estimated number of users/beneficiaries (current and projected): n/a
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 116 and 118 Anerley Park have already been declared surplus to Council requirements as part of the reconfiguration of the homeless hostels that was approved in 2007. It was agreed as part of the arrangements for the transfer of the hostel properties to Broomleigh (now Affinity Sutton) that 208 High Street St Mary Cray and 116 and 118 Anerley Park would be returned to the Council for sale following the decant of the occupants. 208 High Street was handed back soon after the transfer of the properties had been completed and has since been sold. However, because of the continuing pressure on accommodation, 116 and 118 Anerley Park continued in hostel use under an arrangement with Affinity Sutton until June 2013, when they were handed back to the Council.
- 3.2 The properties are no longer considered appropriate for hostel use because of the level of repairs and maintenance required to them, and the need to carry out extensive work to meet fire safety requirements. The two Victorian houses, which provided a total of ten bedrooms with four shared kitchen/diners, two bathrooms and two shower rooms, would need re-plastering throughout and a major overhaul of wiring and plumbing. The Director of Education, Care and Health has advised that this accommodation is no longer suitable and that the anticipated cost of the works to provide the self-contained units that are required would not represent value for money. The properties are arranged over four split levels and would not convert easily, only achieving two flats per property.
- 3.3 It is proposed that an estate agent should be appointed to market the houses, seeking offers either individually or for the pair. They will be instructed to seek offers by way of a tender arrangement. However, as these residential properties may attract owner occupiers and unconditional bids, once the closing date has been reached it is likely that the prospective purchasers will wish to be advised of whether their offers are accepted by the Council within a few days of submission rather than having to wait for the next appropriate PDS Committee meeting and the decision of the Portfolio Holder. It would be desirable to be in a position to accept an offer immediately and to progress the sale and the Portfolio Holder is, therefore, requested to give delegated authority to the Director of Regeneration and Transformation to agree a sale of the property, in consultation with the Portfolio Holder, subject to being satisfied that market value is being achieved.



4. POLICY IMPLICATIONS

4.1 The Council's aims include being an authority that manages its assets well.

5. FINANCIAL IMPLICATIONS

5.1 A capital receipt in excess of £700k should be generated by the sale of these properties. It is proposed that estate agents should be instructed to deal with the marketing of the property and that their fee will be recovered from the purchaser.

5.2 Members should note that costs will be incurred while the property is held pending sale, such as Council tax and standing charges for gas and electricity. These costs cannot be quantified at this current time as Affinity Sutton have not passed this information on to Officers, however, the costs will not be able to be contained within the surplus property budget of £10,000 as this budget is already projected to be overspent for 2013/14.

5.3 It is critical that all surplus property is sold as soon as possible to ensure on-going costs are kept to a minimum given the small budget of £10k allocated.

6. LEGAL IMPLICATIONS

6.1 Section 123 of the 1972 Local Government Act requires a local authority to secure the best consideration reasonably obtainable when disposing of land (other than on a lease of 7 years or less) unless it has the benefit of an express or general consent of the Secretary of State. These properties will be advertised on the open market to ensure compliance with this requirement.

Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	