

| Cabinet Meeting | | Agenda Item: 11 |
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| Meeting Date | 25 September 2019 | |
| Report Title | Disposal of 17/17A Station Street, Sittingbourne | |
| Cabinet Member | Cllr Monique Bonney, Cabinet Member for Economy and Property | |
| SMT Lead | Nick Vickers, Chief Financial Officer | |
| Head of Service | Anne Adams, Head of Property Services | |
| Lead Officer | Kent Parker, Estates Surveyor | |
| Key Decision | Yes | |
| Classification | Open with restricted appendix | |
| Forward Plan | Reference number: | |
| Recommendations | <ol style="list-style-type: none"> 1. That Cabinet agrees to dispose of the freehold of 17/17A Station Street by auction with outline planning permission at the reserve price agreed with the auctioneers set out in Appendix II. 2. That the Head of Property Services in consultation with the Cabinet Member for Economy and Property be authorised to finalise the terms and the Head of Legal Services be authorised to complete the necessary legal formalities and all agreements and deeds arising from or ancillary to the disposal in due course. | |

1 Purpose of Report and Executive Summary

- 1.1 The purpose of this report is to obtain approval for the freehold sale by auction of the Council owned property at 17/17A Station Street (as shown on the attached plan Appendix I).
- 1.2 The property was previously occupied by Citizens Advice Swale who has now relocated to Swale House. The building is considered suitable for conversion/development for residential use.
- 1.3 A proposal for the Council to convert the property to temporary homeless accommodation has been discounted due to high costs of conversion. An alternative and more cost effective way forward is to dispose of the property by auction to obtain a capital receipt.

2 Background

- 2.1 Reference is made to the report to Cabinet on 11 July 2018 when it was agreed to take forward the option to convert the building to temporary homeless accommodation. Following this further work has been undertaken on the detailed design and construction costs. Due to the need to comply with modern building standards the costs are much greater than originally anticipated and this option is now no longer proceeding as it would not be a cost effective way forward.
- 2.2 No other alternative community uses for the building have been identified. Neither do the Council have any requirements for its own use of the building. The building is therefore surplus to the Council's requirements.
- 2.3 As discussed in the previous report residential conversion is considered to be the most viable future use for the building. A planning application for change of use from office to residential would be required and given the lack of demand for such offices in this location and the residential nature of the surrounding buildings, it is likely that such an application will be favourably considered by officers. It is also possible that the change of use could fall within Class M of the General Permitted Development Order 2015 – this means that residential use could be permitted subject to certain conditions.
- 2.4 The property also has potential for further development at the rear fronting onto Pembury Street subject to planning permission which will enhance the value of the property. The Planning Officer has advised that the site lies in an area where there is a presumption in favour of residential development and the site is considered to be of an appropriate size to accommodate a dwelling.

3 Proposals

- 3.1 It is proposed that the property be sold by auction with residential conversion and development potential. The proposed guide and reserve prices discussed with the auctioneers are set out in the attached Appendix II.
- 3.2 Disposal of the site with outline planning consent for development of a dwelling on the land at the rear fronting Pembury Street could potentially enhance the value but would result in increased costs and delay. There is also a risk of refusal which would have a significant impact on its attractiveness to developers and a negative impact on value.
- 3.3 It is recommended that the property is sold by auction subject to the stated reserve price. This method of sale will ensure that the disposal will be for the best consideration reasonable obtainable and complies with the Council's statutory obligations.

3.4 The Council is developing plans to enhance Sittingbourne High Street. When these proposals are brought forward they will be funded by a combination of internal and external borrowing and use of capital receipts.

4 Alternative Options

4.1 The alternative options were discussed in the previous report and it is now recommended that the option to sell the freehold of the building in its current condition is approved. Other options considered are:

4.2 Sell by private treaty: This is not recommended as it is not as transparent and not as likely to achieve the best price.

4.3 Conversion of the building to temporary homeless accommodation: This option is not recommended as it would not be a cost effective way forward.

5 Consultation Undertaken or Proposed

5.1 Consultations have been carried out with Planning and the Asset Management Group who support the proposal.

6 Implications

| Issue | Implications |
|----------------------------------|---|
| Corporate Plan | The proposal contributes to Delivering regeneration by helping to deliver small scale redevelopment. It also contributes to Delivering the Council of tomorrow by disposal of vacant property for a capital receipt which strengthens our financial resilience. |
| Financial, Resource and Property | The consideration to be paid for the property will be the best consideration reasonably obtainable. The proposal will also remove the Council's liability for managing and maintaining the property in the future. |
| Legal and Statutory | The Council has power under section 123(1) of the Local Government Act 1972 to dispose of land and property in any manner that it wishes. The proposed disposals must be for the best consideration reasonably obtainable in accordance with section 123 of the Local Government Act 1972 or meet the requirements of Circular 06/03: Local Government Act 1972 General Disposal Consent (England) 2003 - disposal of land for less than the best |

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| | consideration that can be reasonably obtained failing which, the Secretary of State's consent would be required. |
| Crime and Disorder | None identified at this stage. |
| Environmental Sustainability | None identified at this stage. |
| Health and Wellbeing | The provision of new housing will benefit the health and wellbeing of the residents |
| Risk Management and Health and Safety | In the event that an application were made for outline planning consent prior to disposal, there is a risk that this could be refused which would have a significant impact on the property's attractiveness to developers and a negative impact on value. |
| Equality and Diversity | None identified at this stage. |
| Privacy and Data Protection | None identified at this stage. |

7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- Appendix I: Site Plan
- Appendix II(Restricted): – Details of guide and reserve prices

8 Background Papers

Cabinet report dated 11 July 2018 -

<https://services.swale.gov.uk/meetings/ielIssueDetails.aspx?IId=6911&PlanId=0&Opt=3#A15885>