

<b>Regeneration and Property Committee</b>	
<b>Meeting Date</b>	March 2023
<b>Report Title</b>	Disposal of Old Fire Engine House – Court Street, Faversham
<b>EMT Lead</b>	Emma Wiggins, Director of Regeneration and Neighbourhoods
<b>Head of Service</b>	Joanne Johnson, Head of Regeneration, Economic Development and Property
<b>Lead Officer</b>	David Johnson MRICS Interim Property Services Manager
<b>Key Decision</b>	No
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. That the terms for the sale of the freehold interest of the property are approved.</li> <li>2. That authority is delegated to the Head of Regeneration, Economic Development and Property in consultation with the Head of Mid Kent Legal Services to complete the necessary legal formalities.</li> </ol>

## **1 Purpose of Report and Executive Summary**

- 1.1 It is government policy that local authorities should dispose of surplus and under-used land and property wherever possible. This report recommends the freehold disposal of parts of the Council owned property known as The Old Fire Engine House, Court Street, Faversham (as shown on the attached plan (Appendix I)).
- 1.2 The property, of which the Council is the Freeholder, is let to Shelter Shops who also occupy the adjacent retail unit and provides additional showroom/display area to the main shop. The freehold owner of the adjoining building wishes to purchase the freehold of 41 a Court Street (The Old Fire Engine House) from the Council subject to the existing lease. This would enable the properties to be more efficiently managed under a single lease and for both properties to be refurbished.

## **2 Background**

- 2.1 The Old Fire Engine House, is a small Grade II Listed building attached to the adjacent property 41 Court Street in Faversham town centre as shown on the attached plan (Appendix I). It is a single storey end of terrace building extending to approx. 26.1 sq.m/281 sq.ft. It is currently let to Shelter who occupy the adjacent retail unit and provides additional showroom/display area to the main shop via an interconnecting opening that has been created between the two properties.
- 2.2 The building was owned by the predecessor authority. It was previously let as a bus company enquiry office since 1947 until 1980 when the company vacated. It was then let to the owner of the adjoining property, no. 41, an electrical retailer. In 1984 they assigned the lease to Shelter Shops. Shelter has occupied the

building under successive short leases since then. The lease is contiguous with their lease of the main shop. The current rent is £4,000 p.a.

### **3 Proposals**

- 3.1 The current freehold owner of 41/41A Court Street, which includes the main ground floor retail unit let to Shelter and first/second floor living accommodation, has expressed an interest purchasing the freehold interest subject to the existing lease.
- 3.2 The disposal of the freehold would enable both properties to be occupied under a single lease with a single landlord. The purchaser would then be able to refurbish both properties to a high standard whilst retaining the current tenants.
- 3.3 Exempt.
- 3.4 The proposed disposal would generate a substantial capital receipt compared to the rental income received. The shop could then be let under a single tenancy and the purchaser would be able to invest in improving the property. As the property only generates a relatively low rent it is less cost effective to manage.

### **4 Alternative Options**

- 4.1 An alternative option proposed if the sale of the freehold is not possible, would be the grant of a longer lease subject to the existing Shelter lease. In this case the owners of no. 41 would be willing to enter into a 30 year lease (with a break after 15 years) and a uplift of 15% in the rent (i.e. 4,600 p.a.)

### **5 Consultation Undertaken or Proposed Considered and Rejected**

- 5.1 There have be no external consultations on this proposal.

### **6 Implications**

<b>Issue</b>	<b>Implications</b>
Corporate Plan	The proposal supports renewing local democracy and making the Council fit for the future by disposing of surplus land and achieving, a capital receipt, reducing ongoing liabilities and improving an asset for the use of local residents
Financial, Resource and Property	<p>The proposal looks to reduce the Council's future maintenance liabilities and produce an increased capital receipt by way of an annual freehold disposal.</p> <p>The Proposal will result in a reduction of £4000 per annum in the Council's revenue Budget.</p>

Legal, Statutory and Procurement	Legal will be required to draft freehold disposal contract agreement in consultation with Property. Any proposed disposal will be for the best consideration reasonably obtainable in accordance with section 123 of the Local Government Act 1972.
Crime and Disorder	None identified at this stage.
Environment and Climate/Ecological Emergency	None identified at this stage.
Health and Wellbeing	None identified at this stage.
Safeguarding of Children, Young People and Vulnerable Adults	None identified at this stage.
Risk Management and Health and Safety	None identified at this stage.
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 1: Plan
- Appendix 2: Exempt Items

## 8 Background Papers

None