

Regeneration and Property Committee	
Meeting Date	13th September 2023
Report Title	Disposal of Part of Land Between 53-59 New Road, Minster
EMT Lead	Emma Wiggins, Director of Regeneration and Neighbourhoods
Head of Service	Joanne Johnson, Head of Regeneration, Economic Development and Property and Interim Head of Planning
Lead Officer	David Johnson MRICS Interim Property Services Manager
Key Decision	No
Classification	Open
Recommendations	<ol style="list-style-type: none"> 1. That the Land Between 53-59 New Road, Minster be declared surplus and placed on the open market to effect a freehold disposal. 2. That authority is delegated to the Head of Regeneration, Economic Development and Property and Interim Head of Planning in consultation with the Head of Mid Kent Legal Services negotiate a freehold sale of the property and to complete the necessary legal formalities.

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 part of the Council owned property known as Land Between 53-59 New Road, Sheerness, as shown on the attached plan (Appendix I).
- 1.2 The property, of which the Council is the freeholder, was previously let to Minster Community Centre, who held a lease from 2017 for a term of five years. They have since closed and the premises are now vacant. The single storey temporary portacabin is in poor condition requiring substantial capital expenditure on it to enable beneficial occupation. A sale of the property would generate a capital receipt for the Council and would enable the site to be put to use by an occupier or redeveloped subject to planning.
- 1.3 The Council has fairly wide discretion to dispose of its assets (such as land or buildings) in any manner it wishes. When disposing of assets, the Council is subject to statutory provisions, in particular to the overriding duty, under section 123 of the Local Government Act 1972, to obtain the best consideration that can be reasonably obtained for the disposal. This duty is subject to certain exceptions that are set out in the General Disposal Consent (England) 2003.

2 Background

- 2.1 The property is a regular shaped site located on the south side of New Road, Minster that extends to approximately 495sqm. On the site sits a single storey pre-fabricated portacabin modular building, of approximately 222sqm GIFA,

and believed to be circa. 30 years old. The location of the property is predominantly a residential area with the property itself situated between residential dwellings.

- 2.2 The property falls within class F2 of The Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020. This use includes properties used as community halls and meeting places, as an individual shop of not more than 280sq.m serving a local community, for outdoor sport or recreation and swimming baths or skating rinks.
- 2.3 The property had been occupied for several years by Minster Community Centre (Registered Charity No. 1106267) before their most recent lease agreed in 2017. Minster Community Centre erected the portacabin on site with the Council's consent in 2020, at which point the portacabin was already second hand and estimated to have been at least 10 years old.
- 2.4 The most recent lease to Minster Community Centre was for a term of five years from July 2017 and was on a full repairing and insuring basis at a rent of £150 per annum.
- 2.5 In 2020, during the pandemic, Minster Community Centre closed the building and did not reopen. After the lease expiry in July 2022 Council officers attempted to contact the trustees of Minster Community Centre on multiple occasions and by various methods without success.
- 2.6 The Council served notice on Minster Community Centre in March 2023 to formally take back possession of the property and commissioned a schedule of condition (Appendix 2). The schedule of condition outlined the condition of the building as being very poor and being effectively life expired.
- 2.7 Two options to either repair or replace the building are considered in the schedule of condition. A capital cost of between £100,000 and £200,000 is estimated to refurbish the portacabin, while accepting that this is likely not cost effective given the age of the temporary structure and the fact it is life expired. The second option provides a capital cost of between £400,000 and £700,000, depended on spec, to replace the temporary portacabin with a permanent building.
- 2.8 Due to its lack of occupation the condition of the portacabin which is already poor, will continue to deteriorate and the Council's approved consultant recommends that if the property is to be retained that demolition and site clearance to prevent the structure from posing a health and safety risk and being a target for anti-social behaviour.
- 2.9 The Council has secured an independent valuation of the property, which is at exempt Appendix 3.
- 2.10 The Council has received several enquiries from users interested in purchasing the freehold for uses that fall within its current F2 planning use class. A sale of the freehold may potentially allow one of these users to invest the required capital to bring the property back into beneficial use or for the site to be developed subject to planning.

- 2.11 A sale of the freehold would generate a substantial capital receipt for the Council while removing a financial and health and safety liability.

3 Proposals

- 3.1 That the property be declared surplus and placed on the open market to effect a freehold disposal.
- 3.2 That authority is delegated to the Head of Regeneration, Economic Development and Property and Interim Head of Planning in consultation with the Head of Mid Kent Legal Services negotiate a freehold sale of the property and to complete the necessary legal formalities.

4 Alternative Options

- 4.1 An alternative option proposed would be to refurbish or replace the property and attempt to lease it for a use within its current planning use. This option is not recommended as the Council does not currently have capital funds available to undertake either option to refurbish or replace the building. Refurbishment is also not advised given that the portacabin is deemed life expired. The Council could look to borrow to fund the capital for a replacement building however with a rental return of approximate £13,000 per annum from a similar sized building the yield on the investment would be lower than borrowing rates so is not financially viable.
- 4.2 A further option proposed would be to demolish the building and clear the site leaving it vacant. This option is not recommended as the Council does not have the capital funds available to cover the cost of the demolition and site clearance. Furthermore, leaving the asset vacant would mean that the Council would be failing in its obligation to manage its property portfolio and dispose of underused assets.
- 4.3 The Council could decide to do nothing at all and leave the property as it is with the portacabin on site and not dispose of it. This is not recommended as it would leave an asset underused, contrary to the Council's obligations and the structure will continue to degrade posing a substantial risk to the Council
- 4.4 An alternate option would be to demolish the portacabin, clear the site and seek to improve the value of the site through planning gain. This option is not recommended as the Council does not currently have capital funds available to undertake the demolition and the value of the property will not substantially increase as a result of an alternate planning use.

5 Consultation Undertaken or Proposed Considered and Rejected

- 5.1 There have been no external consultations on this proposal as the property is currently of no beneficial use to the local community.

6 Implications

Issue	Implications
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 making an asset available for beneficial use of local residents
Financial, Resource and Property	The proposal looks to reduce the Council's future maintenance liabilities and produce a Capital receipt by way of a freehold disposal.
Legal, Statutory and Procurement	<p>Legal will be required to draft freehold disposal contract agreement in consultation with Property once a sale is negotiated.</p> <p>Any proposed disposal will be for the best consideration reasonably obtainable in accordance with section 123 of the Local Government Act 1972.</p>
Crime and Disorder	The property remaining vacant and unused will likely result if it being a target for antisocial behaviour. A disposal to allow beneficial use will remove this risk.
Environment and Climate/Ecological Emergency	The portacabin on the site is life expired and as a temporary structure it inherently inefficient. A substantial capital spend to refurbish a temporary inefficient structure would be at odds with the Council's goals.
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	The Proposal reduces the Council's risk in terms of holding a vacant and degrading property.
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: Condition Survey
- Appendix 3 Exempt Items

8 Background Papers

None