

<b>Subject:</b>	<b>Patcham Place Lodge</b>		
<b>Date of Meeting:</b>	<b>2 December 2021</b>		
<b>Report of:</b>	<b>Executive Director, Economy, Environment &amp; Culture</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Angela Dymott Jessica Hamilton</b>	<b>Tel: 01273 291450 01273291461</b>
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<b>Ward(s) affected:</b>	<b>Patcham</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 To seek approval for the disposal of this detached residential property. The secure tenancy has ended and the property is vacant. Housing do not wish to acquire it for the Housing Revenue Account. It is now surplus and available for disposal.
- 1.2 The disposal of the property will generate a net capital receipt that will be used to support the council's corporate capital strategy as part of the Medium Term Financial Strategy.

**2. RECOMMENDATIONS:**

- 2.1 That Committee authorise the disposal of this property and that delegated powers be given to the Executive Director of Economy, Environment & Culture, Assistant Director Property & Design and Head of Legal Services to approve terms and take any necessary steps to facilitate this recommendation.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 Patcham Place Lodge is a 2 bedroom detached property with a generous rear garden that was originally let to a council employee on a secure tenancy that was succeeded by his wife who died in January 2021. The property has been vacant since that time.
- 3.2 The property would have originally sat within the grounds of Patcham Place. The council continues to own the freehold of Patcham Place however a long leasehold interest of 125 years was sold in 2013. Patcham Place and Patcham Place Lodge share an access from the public highway (see plan at Appendix 1).
- 3.3 The property has been offered for appropriation to Housing and valued on behalf of both Housing and Property & Design, however Housing do not wish to appropriate the property.

- 3.4 It is recommended that the property be marketed via local agents and sold freehold, with the net capital receipt used to support the council's Medium Term Financial Strategy.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 The property has been offered to Housing and valuations completed however the property does not meet the requirements of the HRA and the appropriation has been declined.
- 4.2 An unsolicited offer has been received from the long lessees of Patcham Place, who are special interest purchasers having an interest in the adjacent property and shared access. The offer was considered to be in excess of the market value reflecting the special interest nature.
- 4.3 In advance of presenting this report a briefing was provided to the Asset Management Board seeking views on the recommended disposal. The Asset Management Board Members were advised that Housing had declined the opportunity to appropriate the property and that an unsolicited offer from the long lessee of Patcham Place in excess of the market value had been received. However, Members were agreed that an open and transparent marketing process would be preferential to an off-market sale.

#### **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 Consultation has been limited to potential purchasers, being Housing and the long lessees of Patcham Place. There has not been any consultation with the wider community. The Asset Management Board were consulted and agreed to market the property for disposal.

#### **6. CONCLUSION**

- 6.1 The property is vacant and is not required for appropriation to Housing. It is surplus to requirements and is recommended for freehold disposal, marketed via local agents, to achieve a net capital receipt to support the council's Medium Term Financial Strategy

#### **7. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

- 7.1 The disposal of the property will generate a capital receipt for the Council. The net receipt, less any associated disposal costs, will be used to support the council's capital investment programme over the medium term. This will include Corporate Investment Funds such as the Strategic Investment Fund, IT&D Fund and Asset Management Funds plus modernisation investment. As the freehold of the land is being disposed of with no development restrictions this will ensure that the best market value prices will be obtained. There is a minimal rental income received at present which will no longer be forthcoming, however, this is outweighed by the opportunity to maximise the capital receipt.

*Finance Officer Consulted: Rob Allen*

*Date: 22/10/2021*

Legal Implications:

- 7.2 With reference to recommendation 2.1, Section 123 of the Local Government Act 1972 enables a local authority to dispose of land provided it achieves the best consideration reasonably obtainable.

Lawyer Consulted: Joanne Dunnyaglo

Date: 22/10/2021

Equalities Implications:

- 7.3 It is not considered that the proposal would negatively impact on any particular group in relation to their 'protected characteristics'. Therefore, no equalities implications have been identified as arising from this report.

Sustainability Implications:

- 7.4 It is foreseeable that a purchaser would wish to complete improvements to the property and any future investment would likely include improvements to the energy efficiency of the property.

Brexit Implications:

- 7.5 No Brexit implications have been identified as arising from this report.

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. Site Plan

**Background Documents**

None

