

Subject:	1a Major Close Hollingbury - Disposal		
Date of Meeting:	12th July 2012		
Report of:	Strategic Director Resources		
Contact Officer:	Name:	Angela Dymott	Tel: 291422
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Ward(s) affected:	Hollingdean & Stanmer		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 1a Major Close is a detached residential property of brick construction comprising 5/6 bedrooms, living room and kitchen. It was last let to Shaftesbury Housing Association trading as Ashley Homes who used it as 5 bedsits for young people aged 16-24 years. The lease was surrendered in October 2006 and the building is currently secured by Camelot who provide live-in guardians. The site is shown on the attached land registry plan In Appendix 1.
- 1.2 The property is surplus to requirements and was approved for sale by Cabinet on 8th December 2011 as part of the Workstyles Phase 2. Terms have been agreed with the YMCA for the sale of the freehold. As the disposal has been agreed with one party in an off market transaction, legal advice is that the terms should be reported to Policy & Resources Committee for approval. This report is complemented by a separate report on part two of the Agenda.

2. RECOMMENDATIONS:

- 2.1 To approve the freehold sale to the YMCA at the negotiated price.
- 2.2 If the sale to the YMCA should not proceed to approve the marketing and sale by auction or other method by an appointed agent.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 Although the Council normally disposes of property by long leasehold, this does not always apply and residential properties have been sold freehold in the past. This property has been used for residential purposes in respect of young people and the purchaser will be using the property for a similar use. The original intention was to sell the property at auction and 2 agents were asked to provide a valuation and proposal for marketing/sale by auction.

- 3.2 Before marketing commenced the YMCA approached the Council to seek to acquire the property on an off market basis. They wished to retain the previous use of residential care for children aged between 14 and 18 years of age. This activity would be carried out in line with Ofsted requirements for registered children's homes including 24 hour staffing arrangements. Their intention would be to use the 6 bedroom house to provide a home for 5 looked after children with the additional bedroom being for staffing arrangements. Planning have confirmed that this arrangement would not require planning consent as it remains within use class C3(b) - up to 6 people living together as a single household and receiving care.
- 3.3 Terms have been agreed with the YMCA which is the mid range of the 2 agent's valuations. As this deal is being negotiated with the YMCA as a special purchaser the council has to ensure that the valuation is robust and has asked for an independent valuation from the District Valuer Services. The District Valuer Services supports the agreed figure. The sale would therefore fulfil the requirements of S.123 of the Local Government Act 1972 which enables the Council to sell this property provided it achieves the best consideration reasonably obtainable.

4. COMMUNITY ENGAGEMENT AND CONSULTATION

- 4.1 The Council has consulted with the YMCA and other relevant parties. No community consultation is required as the use of the property will not change and planning consent is not required.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The disposal will generate a capital receipt less any associated fees in connection with the disposal of the site. The net capital receipt is required to support the capital investment associated with the Workstyles Phase 2 project as reported to Cabinet on 8th December 2011. The Workstyles Phase 2 project will deliver ongoing savings from the disposal of surplus and expensive buildings with reinvestment into more efficient use of office accommodation. There is no income currently generated with 1a Major Close although there are some minor ongoing costs associated with the security and maintenance of the building.

Finance Officer Consulted: Rob Allen

Date: 28/05/12

Legal Implications:

- 5.2 S.123 of the Local Government Act 1972 enables the Council to sell this property provided it achieves the best consideration reasonably obtainable. It is not considered that any individual's Human Rights Acts rights will be adversely affected by the recommendations in this report.

Lawyer Consulted:

Bob Bruce

Date: 01/06/12

Equalities Implications:

- 5.3 An Equality Impact Assessment has not been carried out as the purchaser will be retaining an existing use of benefit to the community which might otherwise be lost if sold on the open market.

Sustainability Implications:

- 5.4 The purchaser will maintain the previous use which is of benefit to the City and community. They will also be refurbishing a property which is in poor internal condition and bring it back into use.

Crime & Disorder Implications:

- 5.5 The site is occupied by Camelot who provide live-in guardians to prevent unauthorised access and to maintain security. These will be continuing costs and issues of concern whilst the property remains unsold.

Risk and Opportunity Management Implications:

- 5.6 The risks are dependant on the wider economic climate, property market conditions and the grant of planning consent for any alternative use if the sale to the YMCA does not proceed.

Public Health Implications:

- 5.7 The property remains vulnerable to potential vandalism whilst it remains unsold.

Corporate / Citywide Implications:

- 5.8 The disposal of properties is part of the corporate asset management process to ensure efficient and effective use of assets. This contributes to the regeneration of the City, the Council's strategic priorities and brings back into use a property which is beneficial to the City and the Community.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 The alternative of an auction sale is unlikely to yield a higher amount, particularly when the commission payable is taken into account. Moreover the proposal in this property secures the proposed use of a home for looked after children.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 A much needed capital receipt will be achieved if the transaction completes that will contribute to the council's transformation workstyles project.

SUPPORTING DOCUMENTATION

Appendices:

1. Land Registry plan attached.

Documents in Members' Rooms

1. None

Background Documents

1. None