

<b>Report To:</b>	<b>CABINET</b>
<b>Date:</b>	<b>7<sup>TH</sup> DECEMBER</b>
<b>Heading:</b>	<b>DISPOSAL OF UNVIABLE GARAGE AND PLOT SITES</b>
<b>Portfolio Holder:</b>	<b>CLLR TOM HOLLIS PORTFOLIO HOLDER FOR COUNCIL AND SOCIAL HOUSING</b>
<b>Ward/s:</b>	<b>ALL WARDS</b>
<b>Key Decision:</b>	<b>YES</b>
<b>Subject to Call-In:</b>	<b>YES</b>

### **1.1 Purpose of Report**

To advise Members about the process that has been followed to review the viability and future use potential of Council owned garage and plot sites and to recommend disposal for those sites considered unviable and not suitable to be used for affordable housing development.

### **1.2 Recommendation(s)**

1. To note the process officers have followed to review the viability and future use of Council owned garage and plot sites.
2. To approve the designated sites stated in this report as surplus on the basis of their limited current use, the lack of suitable alternative uses and the investment that is required to make them viable for any other purpose.
3. To grant delegated authority to the Director of Resources and Business Transformation, in conjunction with the Director of Legal and Governance, and the Chief Finance Officer, to dispose of the designated sites. Disposal will be in accordance with the Council's Disposals Policy and will be on the basis of achieving best value, with any further negotiations with Service Manager for Commercial Development.

### **1.3 Reasons for Recommendation(s)**

The Council own a large number of garage and plot sites, 112 in total, all of which sit within the Housing Revenue Account (HRA). Some sites are in good condition, have a high level of demand

and generate a steady income stream, others are in disrepair with little or no demand from local residents. Where demand is low, and the site requires significant investment, it is not economically viable for the Council to retain the site as is and consideration needs to be given to the site's future use.

A small number of sites have been identified as being suitable for affordable housing development but where this is not possible consideration needs to be given to disposing of the site. Doing so will ensure the costs associated with ongoing repairs and maintenance is brought to an end, it will generate a capital receipt that can be reinvested and it will give the new owner a chance to regenerate the site.

#### **1.4 *Alternative Options Considered***

Not to dispose of the designated sites. This is not appropriate as a number of sites require significant investment with little likelihood of this expenditure being recovered through rental income.

#### **1.5 *Detailed Information***

The Council own 112 garage and plots sites across the District. Plots sites are those whereby a resident rents a section of land, large enough to park their vehicle and they erect their own garage.

Sites vary in respect of their size, some are large enough to accommodate 20+ garages whereas others contain as few as 2 garages. Likewise, demand varies significantly, a small number of garage sites have full occupancy along with a small waiting list, whereas on some other sites there is a 100% vacancy rate. A small number of sites have been fenced off and secured due to the garages being in a dilapidated state, beyond economical repair. Vacancy rates on plot sites are particularly high, in part because of the requirement of the plot holder to erect a garage at their own expense.

As part of a wholesale review the following factors were considered for each site.

- Current and likely future levels of demand
- Rental income levels
- Current and future maintenance and repair obligations
- Investment needed in the site as a whole
- Payback period, i.e. how long will it take to recover what has been spent on investment from the rental income?
- Alternative parking in the local area
- Levels of Anti Social Behaviour and other management issues
- Restrictions or caveats in the site deeds
- Potential to utilise the site for affordable housing development

The review concluded that 80 sites should be retained in their current form and a further 9 are suitable for affordable housing development. The remaining 23 are not considered economically viable in their current form nor suitable for development. For these sites the recommendation is that they are considered for disposal.

The Council's Constitution sets out the process that needs to be followed in respect of the disposal of land and assets. The process is based on transparency and consistency, with the underlying principle that the Council shall not dispose of land for a consideration less than the best that can be

reasonably obtained, i.e. it achieves 'best value'. Under section 123 of The Local Government Act (1973) a council shall not dispose of land for a consideration less than the **best that can reasonably be obtained**".

The intention is to consider the disposal of sites in batches. Officers have prioritised the following 4 sites in the first batch.

1. Aitchison Avenue, Hucknall
2. Minster Close, Kirkby in Ashfield
3. Spinney Close, Kirkby in Ashfield
4. Stamper Crescent, Sutton in Ashfield

A summary of each site is provided below, further information is available on the enclosed supporting documents.

### ***1. Aitchinson Avenue, Hucknall***

The site is vacant and overgrown (with Mare's Tail). The site is large enough for 2 cars.

Part of this plot site has already been sold off to a resident who wished to make his garden bigger.

### ***2. Minster Close, Kirkby in Ashfield***

A large site with 19 garage spaces. The site is vacant and has been derelict for many years due to a lack of demand. It is now fenced off for health and safety reasons.

The site was considered for affordable housing development but this is not appropriate due to the problematic access.

### ***3. Spinney Close, Kirkby in Ashfield***

A small garage site consisting of 2 garages. The garages are nestled between privately owned houses, set back slightly from the road. The garages are in a good state of repair. There is no demand from local residents and the garages have been vacant long term.

### ***4. Stamper Crescent, Sutton in Ashfield***

A plot site to the rear of existing properties, accessed by a narrow roadway. The site is large enough for three cars. There is no demand from local residents and the surface is uneven and would require resurfacing if it was to be let.

All of the above sites have had legal titles examined for any discrepancies.

In accordance with the need for transparency and consistency the intention is to market all 4 sites with an external Estate Agent. The Agent will market the sites and on the basis of offers received provide guidance in respect of the monetary worth of each site and this will form the basis of what the Council considers to be 'best value'. Following this delegated authority will be granted to the Director of Resources and Business Transformation in conjunction with the Director of Legal and Governance and the Chief Finance Officer to consider accepting the proposed figure.

As part of the disposals process the Council will want to ensure that it benefits from any future development of the sites and will include an overage clause where necessary within the sales contract for this purpose.

## **1.6 Implications**

### **Corporate Plan:**

The Corporate Plan sets out the desire to ensure financial stability, and disposal of these sites will potentially bring capital receipts for the Housing Revenue Account.

### **Legal:**

S123 of the Local Government Act 1972 enables the Council to dispose of its land provided the consideration received is not less than the best that can reasonably be obtained.

Legal advice will be sought throughout the process and support will be provided regarding completion of land transactions. [RD 11/11/2021]

### **Finance:**

<b>Budget Area</b>	<b>Implication</b>
General Fund – Revenue Budget	N/A
General Fund – Capital Programme	N/A
Housing Revenue Account – Revenue Budget	Savings on expenditure needed to maintain these sites.
Housing Revenue Account – Capital Programme	Potential Capital Receipt on sales

## **1.7 Risk:**

<b>Risk</b>	<b>Mitigation</b>
Do not sell	None

### **Human Resources:**

None

### **Environmental/Sustainability**

None

### **Equalities:**

None

**Other Implications:**

Not applicable

**1.8 Reason(s) for Urgency**

Not applicable

**1.9 Reason(s) for Exemption**

Not applicable

**1.10 Background Papers**

Not applicable

**1.11 Report Author and Contact Officer**

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