

**CABINET
7 JANUARY 2021**

**DISPOSAL OF PARK NURSERY, PARK ROAD, TIVERTON – A REVIEW OF
OPTIONS**

Cabinet Member(s): Cllr Bob Evans, Cabinet Member for Housing and Property Services.

Responsible Officer: Andrew Jarrett, Deputy Chief Executive (S151).

Reason for Report: For Cabinet to approve the asset disposal of Park Nursery Depot, Park Road, Tiverton, EX16 6AU.

RECOMMENDATION:

To delegate authority to the Cabinet Member for Housing and Property Services and the Deputy Chief Executive (S151) to complete the asset disposal of Park Nursery Depot, Park Road, Tiverton, EX16 6AU :

- 1. In accordance with Table 1 – Option 2, proceed with the marketing process and sale the existing buildings and land to the best value offer via a sealed bid process.**

Or

- 2. That 3 Rivers Developments Limited are given first opportunity to acquire the site, on the condition that full market valuation is offered in accordance with an independent valuation in order to demonstrate public value and transparency. It should be noted that 3 Rivers Developments Limited is a separate legal entity and is not under any obligation to bid for any land the Council may wish to dispose of and that any offer below the valuation will trigger recommendation 1.**

Relationship to Corporate Plan: Property assets are linked to the delivery, vision and priorities of the Council. The way that the Council manages its land and property assets has a direct impact on the quality of services delivered as well as maximising the value derived from our property holdings for the on-going contribution in balancing the Council's budget. It is, therefore, important that efficient and effective use is made of our asset portfolio to support corporate and service objectives.

Financial Implications: Disposal of the freehold interest in the land and buildings will realise a capital receipt, please refer to Part 2 Annex A for details of the values reported prior to full planning permission being obtained. .

Legal Implications: A local authority has a statutory duty to dispose of the land or property for the best price that can reasonably be obtained. Part of the land is public open space for the purposes of the Open Spaces Act 1906. Pursuant to section 123(A) of the Local Government Act 1972 the Council has advertised its intention to dispose of the site and had invited the public to submit any objections.

Risk Assessment: This land has development value, the risks to the Council of retaining it are (1) the repair, maintenance and other ongoing costs including insurance and (2) the loss of a profitable sale transaction.

Equality Impact Assessment: Please refer to Annex B.

Impact on Climate Change: The existing planning permission takes into account the environmental impact, seeking to reduce such effects as much as possible.

1.0 Introduction

- 1.1 Previously, the Park Road Nursery was used by the Grounds Maintenance Service. The decision was made to close the depot and relocate to Carlu Close in order to consolidate the provision of the service in one location with modern welfare facilities. Due to the relocation, the buildings and land are no longer required.
- 1.2 The existing depot buildings comprise of an original park keepers workshop building, a porta-cabin, a range of rendered block/profile tin stores and a basic timber and corrugated iron shed. The whole site is fenced, in part with galvanised palisade style fencing, and the outer boundary is comprised of trees, with some remnants of a former post and wire fence suggesting the plan boundary may extend to this older fence line. We estimate the total site area to be 0.452 ha/1.12 acres. The site is within the defined Tiverton settlement boundary where residential development is permitted, in principle by policies S1 and S10 of the Mid Devon Local Plan 2013-2033. This would contribute to meeting the housing needs of the District as set out in policy S3 of the Local Plan.
- 1.3 The Council had three independent valuations carried out during 2019 and prior to full planning permission, validated on 29.06.20 and permitted with conditions to discharge on 06.11.20 detailed on Annex C. The valuations had been prepared in accordance with the Royal Institution of Chartered Surveyors Valuation and the valuers had confirmed that they have sufficient knowledge of the particular market and skills and understanding to undertake the valuation competently, each valuation included a potential value range for obtaining planning permission for a residential redevelopment.
- 1.4 Following the Cabinet decision on 16th January 2020, the Council achieved full planning permission to construct three 3-bedroom houses and six 4-bedroom houses, in three terraces. The properties are of a highly sustainable and low carbon design based on Passivhaus principles and attached to this report as Annex D is a site plan.
- 1.5 The permission is for the provision of nine new houses in three terraces throughout the site. The site has a relatively narrow road frontage but widens out significantly into the site where it adjoins the People's Park to the south. The topography of the site drops significantly to the west with the three dwellings nearest the road being sited between two and three metres below the existing road levels. The remaining six properties will have a finished floor at ground level approximately five metres lower than the road level. A further lower ground floor will be even lower within the site.

1.6 Mains electricity, water and foul sewerage are available to the property.

2.0 Legal position regarding disposal of land and buildings

2.1 A local authority is in the position of trustee in relation to land or property that it owns on behalf of the community, and under S.123 of the Local Government Act 1972 it has a statutory duty to dispose of the land or property for the best price that can reasonably be obtained. The General Disposal Consent 2003 permits sale at an under value, provided such an under value is under £2 million and the disposal will help to secure the promotion or improvement of economic, social or environmental well-being of its area.

2.2 Part of the land is public open space for the purposes of the Open Spaces Act 1906 and the Council has completed the advertisement of the disposal in accordance with section 123(2A) of the Local Government Act 1972 (for two consecutive weeks) and the consideration of the objections were reviewed by Cabinet on 22nd August 2019. The land and buildings are not currently accessible to the public and are not in current use as public space.

2.3 There are no covenants registered against the title which prevent the Council from disposing of this land or which restrict its current or potential use.

2.4 In the event of Cabinet resolving on recommendation 1 and to market the site, the agent would have to be made aware of the legal restriction around planning permissions granted by local authorities for their own land. The revised valuations will take this into account.

2.5 The Council has clearly demonstrated that residential development has been shown to be permissible and the fact that there is a ready scheme that meets the approval of the planners, however it is important to note that no third party can simply take the benefit of the planning permission and commence works. A buyer would need a fresh planning permission that can be achieved in a number of ways, including an application to vary some element or a condition to the current planning permission.

3.0 Revised Land Valuation

3.1 Revised valuation figures are attached to this report on Part 2 Annex A.

4.0 Budget Position

4.1 There has been no budget set for the Park Road Nursery Depot for 2019/20 and 2020/21 and standing charges for utilities are being met by the surplus sites cost code.

4.2 The sale of the property would be exempt of VAT, as this land has not been opted to tax.

4.3 Cabinet had set a budget of circa £20k for obtaining full planning permission and current costs are circa £25k.

5.0 Marketing and sale options

5.1 The Council then has a number of options as to the manner in which to proceed with a sale that are detailed on Part 2 Annex A.

6.0 Table 1 – A review of options

6.1 There remain three options available concerning the future of the land as shown in Table 1.

Table 1

Option	Benefits	Risks
1. Retain the asset and continue with the running costs for future use.	The asset would be retained for a potential future use.	The financial liability for the repair and maintenance, standing charges and capital expenditure for the existing buildings. The Council does not secure a commercial offer.
2. To proceed with placing the asset on the open market for an immediate sale and to receive sealed bids.	Opportunity to realise a capital receipt. The Council lose all responsibility and future liability for the repairs and maintenance of this land and buildings.	With this option officers see little to no risk.
3. Offer the property to 3 Rivers at full market valuation, which will minimise risk to the council while securing value for money. In the event that 3 Rivers declines to purchase the site at the independently assessed value, the Council would market the site.	Opportunity to realise a capital receipt. The Council lose all responsibility and future liability for the repairs and maintenance of this land and buildings.	With this option officers see little to no risk.

7.0 Conclusion

- 7.1 To capitalise on this commercial opportunity, it is the officers' recommendation that the Council should proceed with Option 2 or 3.
- 7.2 It is recommended to delegate authority to the Cabinet Member for Housing and Property Services and the Deputy Chief Executive (S151) to proceed with the asset disposal.

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Circulation of the Report: Cllr Bob Evans, Cabinet Member for Housing and Property Services, Cabinet, Leadership Team.

List of Background Papers:

Cabinet Part 2 Report - 27th June 2019
Cabinet Part 2 Report - 22nd August 2019
Cabinet Part 2 Report - 16th January 2020