



EXECUTIVE MEMBER DECISION

REPORT OF: Executive Member for Growth and Development

LEAD OFFICERS: Growth Programme Director

DATE: Friday, 22 November 2024

PORTFOLIO/S AFFECTED: Growth and Development

WARD/S AFFECTED: Darwen East;

SUBJECT: EMD Asset Review (Phase 1) Disposal of the Limes

1. EXECUTIVE SUMMARY

The Limes is a two-storey property located in Darwen and was used by Children's Services before being confirmed surplus following a review of Council assets in 2023/24.

This report now seeks approval to proceed with a disposal by way of 250-year leasehold interest for residential use.

The disposal is to a private individual (and his family) for residential use following the marketing of the property by an agent on behalf of the Council.

2. RECOMMENDATIONS

That the Executive Member:

1. Notes the Limes was confirmed surplus by the Asset Management Group in June 2024 following a review of Council assets in 2023/24 which was summarised and presented to Finance Council in February 2024; and
2. Approves the disposal of the Limes in accordance with the Councils disposal policy; and
3. Authorises the Growth Programme Director in liaison with the Deputy Director of Legal and Governance to finalise the final terms and any costs in connection with the disposal.

3. BACKGROUND

3.1 The Growth and Development Department, in conjunction with all other Council Departments, completed an Asset Review in 2023/24 to identify opportunities for service improvement and revenue savings to help support the Council's Medium Term Financial Plan.

- 3.2 This review initially considered 65 of the Council's key buildings from the operational estate and assessed the assets against service needs to identify opportunities for co-location, service relocation or intensification of existing assets. Conclusions from this review were summarised and presented to Finance Council in February 2024.
- 3.3 The Limes was identified in the review which concluded the asset was significantly underutilised and therefore opportunities to relocate the service to other Council assets should be investigated.
- 3.4 Officers quickly identified and relocated the services to Community Centres, and subsequently The Limes was confirmed as surplus by the Asset Management Group in June 2024.
- 3.5 Property Team applied for a change of use to residential use, which was granted following a planning committee hearing on 17th October 2024.
- 3.6 The property was put on the market with local residential agents Mortimers for offers in the region of £325,000.
- 3.7 A private individual and the Council have agreed on a sale and purchase subject to contract.
- 3.8 The property will be used as a single dwelling for a family home and is understood the property will be acquired with a mortgage.

4. KEY ISSUES & RISKS

- 4.1 The Council has a leasehold interest of 999 years (less 10 days) from 2 November 1864 (Title number LA751162 good leasehold). The freehold title (LA764812) is registered to East Central Property Limited. The Council is permitted to grant underleases and proposes to grant a 250-year underlease.
- 4.2 Granting a 250-year underlease realises a capital receipt similar to freehold values and is accepted by mortgage providers. The lease will also enable the Council to regulate the land use and prevent any House of Multiple Occupation (HMO) or property sub-division in the future. There is an Annex on the land to be sold with the Property, the Annex has single use facilities such as a W/C and a window and two doors.
- 4.3 The Council estimated the value of the property in its current condition to be in the region of £300,000 which is consistent with the final agreed offer.
- 4.4 Planning approval was granted by the Local Planning Authority in October 2024 for a change of use to residential under planning application reference 10/24/0718.

5. POLICY IMPLICATIONS

- 5.1 This proposal meets action 2.1 set out in the Strategic Asset Management Plan (SAMP) as follows:

'Complete Asset Review to identify priority assets for investment/ rationalisation and divestment opportunities for three year programme commencing 2023/24 with a focus on the top 50 key building from the operational estate in addition to reviews on the investment estate, business centres and car parks.'
- 5.2 The disposal is in accordance with the Council's property disposal policy and generates a capital receipt from surplus assets in addition to bringing an additional dwelling forward.

6. FINANCIAL IMPLICATIONS

- 6.1 Disposal of 250-year interest will generate a capital receipt for the Council.
- 6.2 The Council has used an Estate Agent to market the property and the Agent's fee will be deducted from the Purchase Price.
- 6.3 Savings of vacant asset holding costs (building insurance, security, standing charges etc.,).
- 6.4 The Council will comply with the Financial Procedure Rules relating to Disposal of Land.

7. LEGAL IMPLICATIONS

- 7.1 The disposal will be in accordance with the Council's property disposal policy.
- 7.2 The legal department has been consulted on the disposal and confirm there are no issues which would prevent the sale with any restrictions on use, other than those restrictions now proposed.

8. RESOURCE IMPLICATIONS

- 8.1 Current staff resources from the Council's Property and Legal teams will be utilised to complete the legal agreements.

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

Option 1 Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. *(insert EIA link here)*

Option 3 In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

10. CONSULTATIONS

Planning approval was granted by the Local Planning Authority in October 2024 for a change of use to residential under planning application reference 10/24/0718.

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded and published if applicable.

VERSION: 1.1

CONTACT OFFICER: Simon Jones, Growth Programme Director, Growth and Development

DATE: 14th November 2024

**BACKGROUND
PAPER:** None