

North East Derbyshire District Council

Cabinet

14 December 2016

Disposal of 2 Springfield Road Barlow and 183 Longedge Lane Wingerworth

Report of Councillor J Austen, Portfolio Holder with Responsibility for Information Technology, E-Information and Asset Management

This report is public

Purpose of the Report

- To obtain approval to apply to the Secretary of State to dispose of 2 Springfield Road, Barlow and 183 Longedge Lane, Wingerworth

1 Report Details

- 1.1 On the 3rd August 2016 Cabinet approved the disposal of 2 Springfield Road, Barlow and 183 Longedge Lane, Wingerworth which are of a non-traditional construction as substantial works were required to both properties in order to bring them to a lettable standard. At the time it was unclear who would want to purchase the properties. However now we are in a position to sell to a developer who will redevelop the site.
- 1.2 One of Cabinet's recommendations was to dispose of both properties on the basis that the price received satisfies the Council's obligations to secure best consideration reasonably achievable.
- 1.3 The Council may dispose of Housing properties without the specific consent of the Secretary of State. However, one of the conditions of this is that the purchaser must intend to use the property as his/her only or principal home. If this condition were imposed on purchasers of these properties it would exclude developer purchasers, thus seriously restricting the market which could reduce the sale price. Both properties have rather large gardens and outline planning permission has been submitted for the erection of one dwelling on the garden land for both these properties. This would more than likely attract developers or someone with building skills who is likely to sell the existing property on or to rent the property privately.
- 1.4 We can, however, apply for specific consent from the Secretary of State to sell the properties without such a restriction. Such consent would enable the Council to sell the properties on the open market and attract potential developers.
- 1.5 The decision to make an application is a Cabinet function, however, this decision must be authorised by Council.

2 Conclusions and Reasons for Recommendation

- 2.1 Cabinet need to decide whether the Council should apply to the Secretary of State consent to sell 2 Springfield Road, Barlow and 183 Longedge Lane, Wingerworth to purchasers who do not intent to use the properties as their only principal home.

3 Consultation and Equality Impact

- 3.1 Not applicable.

4 Alternative Options and Reasons for Rejection

- 4.1 To put the properties on the open market without the Secretary of States consent in which the Council will more than likely not achieve the best return if the purchaser has to use the properties as their only principal home.

5 Implications

5.1 Finance and Risk Implications

- 5.1.1 As contained within the report.

5.2 Legal Implications including Data Protection

- 5.2.1 As contained within the report.

5.3 Human Resources Implications

- 5.3.1 None

6 Recommendations

- 6.1 Members resolve to make an application to the Secretary of State for the Communities and Local Government under Section 32 of the Housing Act 1985 for the disposal of 2 Springfield Road, Barlow and 183 Longedge Lane, Wingerworth to a purchaser who does not intend to use the properties as his/her only principal home and asks Council to confirm the application.

7 Decision Information

Is the decision a Key Decision? (A Key Decision is an executive decision which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
District Wards Affected	N/A
Links to Corporate Plan priorities or Policy Framework	N/A

8 Document Information

Appendix No	Title
1	Application to Secretary of State
2	Planning Statement
3	Location Plan
4	Site Plan
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Report Author	Contact Number
Sarah Sternberg – Joint Assistant Director of Governance	01246 217057

Appendix 1

APPLICATION FOR SECRETARY OF STATE'S CONSENT TO DISPOSE OF LAND OR PROPERTY UNDER SECTION 32 or 43 OF THE HOUSING ACT 1985 OR SECTION 25 LOCAL GOVERNMENT ACT 1988

(Please continue on an additional sheet, or expand in a covering letter, if necessary)

1. Applicant's Name and address.

North East Derbyshire District Council, District Council Offices, 2013 Mill Lane, Wingerworth, Derbyshire S42 6NG

2. Which section are you applying for consent under:-

Section 32 of Housing Act 1985

3. Please provide the full address and location of the land/property (please attach a site plan):-

2 Springfield Road, Barlow, Derbyshire – please see plan attached

4. Is the land held under Part II of the Housing Act 1985? If not, please state under which provision the land is held.

Yes.

5. The land/property is tenanted/vacant (please delete as appropriate).

The land is vacant

6. If tenanted, please provide evidence that appropriate steps have been taken to consult secure tenants (Schedule 3A Housing Act 1985) or any other tenants.

7. Disposal will be to:-

Proposed to dispose of property on the open market

Is the buyer a wholly or partly owned subsidiary of the Council? If yes, what is the Council's share of the subsidiary?

No.

8. The disposal will be freehold/leasehold (If leasehold please give details):-

The disposal will be freehold.

9. The open market value of the site/ dwelling as assessed by the Councils District Valuer or independent qualified valuer. Please include a valuation report which is no more than three months old. Please note that an estate agent's offer or valuation price is not sufficient:-

Please find enclosed the valuation report.

10. The consideration for the disposal.

Sale on the open market

11. Reasons for disposal including why the disposal offers the best use and value of the property/land, what the proceeds will be used for and how the disposal fits in with the Councils housing strategy and aims. Please include a Council Committee Report supporting the disposal:-

Please see attached report setting out reasons for disposal and what the proceeds will be used for.

The Council aims to maximise the return from the disposal, any covenant on the property requiring the purchaser to use it as his/her only or principal home runs the risk of limiting the market and therefore runs the risk of reducing the value. The property, and its location may be particularly attractive to someone with some building skills (or a small developer) who is likely to carry our work to the property and then either sell the property on or to rent the property privately.

12. If the disposal is of land/housing which will be redeveloped please include details of the content of the development, including the mix of tenures to be provided, nomination rights, an estimated cost of designing and constructing the social housing and confirm whether existing properties will be demolished:-

The disposal will include the 3 bedroom semi-detached house at 2 Springfield Road, Barlow. Within the boundary of the property outline planning permission has been submitted for the erection of one dwelling. We can confirm that the existing property will not be demolished. It is the intention to dispose of the property and land on the open market.

Please find enclosed details of the outline planning consent.

- 13. Please confirm that the disposal/financial assistance is not covered by the General Consents under section 32 of the Housing Act 1985 issued in May 2012 and the revised General Consents under section 25 of the Local Government Act 1988 issued on 9 December 2010 and please explain why it is not covered:-**

Confirmed. The General Consent allows sale to someone who intends to use a house as his main dwelling. We do not propose to require this as part of the sale at auction as this would drastically reduce the market.

- 14. I certify that the information on this form is correct and that the disposal has been authorised by the appropriate Committee of the Council. I am not aware of any other information which might materially affect the Secretary of State's consideration of this application.**

Signature

Please print name

Position

Date

Please return the completed form and any enclosures to Henry Boye Zone 1/E1, Affordable Housing Management and Standards, Department for Communities and Local Government, Eland House, Bressenden Place, London, SW1E 5DU