

# WEST NORTHAMPTONSHIRE COUNCIL CABINET

17 JANUARY 2023

**CABINET MEMBER RESPONSIBLE FOR FINANCE – COUNCILLOR  
MALCOLM LONGLEY**

Report Title	Asset disposals
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## List of Appendices

None

## **1. Purpose of Report**

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- 1.1 This report seeks authority to declare various assets surplus to the requirements of the Council and dispose of them by freehold or leasehold, or in one case potentially to transfer to the Housing Revenue Account.

## **2. Executive Summary**

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- 2.1 The Council owns a large and varied estate. This calls for ongoing management to ensure it is delivering the best outcomes for the residents of West Northamptonshire and in line with the Council's vision and goals. As a result of ongoing work, several assets have been identified where disposals would be beneficial. Most of the proposed disposals outlined within this report are freehold, however one is leasehold. These are:

- Albion House, Northampton
- Former Ribble Close Group Home, Northampton
- Former Ecton Brook Elderly Persons Homes, Northampton
- Former Evelyn Wright Elderly Persons Home, Daventry
- Walker House, Moulton Park Industrial Estate, Northampton
- Former Brackley Swimming Pool Site, Brackley.

- 2.2 Albion House is an office building in central Northampton, near the St John's multi-storey car park. It has one commercial occupier but otherwise since the end of its use as site offices for the Vulcan Works scheme it has remained empty. Freehold disposal is proposed. This would involve the loss of a small amount of revenue income from rent. Additionally, Northamptonshire Partnership Homes (NPH) is exploring a housing scheme for the site. If this shows sufficient value to the Council, it is instead proposed the site is transferred to the Housing Revenue Account (HRA).

- 2.3 The Ribble Close former group home is situated in Kings Heath, Northampton. The property was originally built as a pair of semi-detached residential properties. It has been some years since it was last used and no service use has been identified except temporary use for homelessness accommodation. Freehold disposal is proposed, to take effect once the property ceases being used for homelessness accommodation.

- 2.4 The former Ecton Brook Residential Care Home located in the eastern Northampton. This has been disused for several years and no service use has been identified. Freehold disposal is proposed. However, Northamptonshire Partnership Homes (NPH) is exploring a housing scheme for the site. If this shows sufficient value to the Council, it is instead proposed the site is transferred to the Housing Revenue Account (HRA).

- 2.5 The former Evelyn Wright Elderly Persons Home is located on Badby Road, Daventry. It has been vacant for several years and no service use has been identified. Freehold disposal is proposed.
- 2.6 Walker House is a converted manufacturing unit on Pondwood Close, Moulton Park Industrial Estate, Northampton. It is held by the Council on the residue of a 99-year long lease which expires in October 2070. The Council pays annual rent of £12,500. The building has been vacant for several years and no service use has been identified. Disposal to the maximum extent possible is proposed; depending on market interest, this may result in grant of a sub-leasehold or a sub-long-leasehold, or assignment of the lease.
- 2.7 The Former Brackley Swimming Pool site in Brackley has not been in productive use since the opening of Brackley Leisure Centre. The site is vacant. It has access constraints, but it nonetheless considered developable. Alternatively, a land swap with one of the adjacent schools could deliver development value. However, the Council has received an approach from Brackley Town Council (BTC) which wishes to purchase the site to allow for other transactions it is considering. It is therefore proposed to pursue negotiations with BTC on the basis of a best consideration disposal, although potentially with staged payments. Should this not proceed, the property would be marketed and sold to the party making the best offer. Disposal would be by freehold.

### **3. Recommendations**

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- 3.1 It is recommended that authority be given to the Assistant Director of Assets & Environment:
- 3.1.1 To agree terms for the disposal of the following assets and enter any documentation required to implement this:
- a) Albion House, Northampton (freehold or transfer to Housing Revenue Account).
  - b) Former Ribble Close Group Home, Northampton (freehold).
  - c) Former Ecton Brook Care Home, Northampton (freehold or transfer to Housing Revenue Account).
  - d) Former Evelyn Wright Care Home, Daventry (freehold).
  - e) Walker House, Northampton (leasehold or long leasehold, sub-lease or assignment of lease).
  - f) Former Brackley Swimming Pool Site, Brackley (freehold).

## **4. Reasons for Recommendations**

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### *Overview*

- 4.1 It is sensible for the Council to review its estate and ensure it delivers the best overall value, taking policy and financial considerations together, for the residents of West Northamptonshire.

### *Albion House, Northampton:*

- 4.2 To meet the Council's obligation not to dispose of land at less than the best consideration reasonably obtainable.
- 4.3 To generate a capital receipt.
- 4.4 To reduce the operating costs of the Council's estate (holding costs) and remove the risk of vandalism and any associated health and safety concerns associated with a partially empty property.
- 4.5 To enable the redevelopment or reuse of a prominent town centre property and promote regeneration within Northampton town centre.

### *Former Ribble Close Group Home, Northampton:*

- 4.6 To meet the Council's obligation not to dispose of land at less than the best consideration reasonably obtainable.
- 4.7 To generate a capital receipt.
- 4.8 To reduce the operating costs of the Council's estate (holding costs) and remove the risk of vandalism and any associated health and safety concerns associated with an empty property.
- 4.9 To make it likely that the housing would be brought back into use.

### *Former Ecton Brook Elderly Persons Home, Northampton:*

- 4.10 To meet the Council's obligation not to dispose of land at less than the best consideration reasonably obtainable.
- 4.11 To generate a capital receipt for the General Fund.

- 4.12 To reduce the operating costs of the Council's estate (holding costs) and remove the risk of vandalism and any associated health and safety concerns associated with an empty property.
- 4.13 To facilitate the delivery of housing on the site (whether through delivery of affordable housing or market housing, or both).

*Former Evelyn Wright Elderly Persons Home, Daventry:*

- 4.14 To meet the Council's obligation not to dispose of land at less than the best consideration reasonably obtainable.
- 4.15 To generate a capital receipt.
- 4.16 To reduce the operating costs of the Council's estate (holding costs) and remove the risk of vandalism and any associated health and safety concerns associated with an empty property.

*Walker House, Moulton Park, Northampton:*

- 4.17 To meet the Council's obligation not to dispose assets at less than the best consideration reasonably obtainable.
- 4.18 To generate either revenue income, or a capital receipt (premium), or both.
- 4.19 To reduce the operating costs of the Councils estate (holding costs) and remove the risk of vandalism and any associated health and safety concerns associated with an empty property.

*Former Brackley Swimming Pool Site, Brackley:*

- 4.20 To meet the Council's obligation not to dispose assets at less than the best consideration reasonably obtainable.
- 4.21 To generate a capital receipt.
- 4.22 To reduce the operating costs of the Council's corporate estate (holding costs) and remove the risk of health and safety concerns associated with a vacant site.

## 5. Report Background

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### *Overview*

- 5.1 The Council owns a large and varied estate. This calls for ongoing management to ensure it is delivering the best outcomes for the residents of West Northamptonshire, in line with the Council's vision and goals. As a result of ongoing work, several areas where disposal of parts of the Council's land would be beneficial have been identified. Most of the proposed disposals outlined below are freehold, but one is leasehold.

### *Albion House, Northampton*

- 5.2 Albion House fronts onto Victoria Promenade and is situated adjacent to St Johns Multi Storey Car Park. It is a four-storey concrete framed office block understood to have been constructed in the 1970s. The building remains largely vacant, except for one tenant on the third floor as well as rooftop agreements for telematics equipment
- 5.3 The property had been previously identified as surplus to the requirements of Northampton Borough Council (NBC), but no formal advertising has been undertaken. NBC, and more recently WNC, has received unsolicited approaches for the property. However, these have not generated formal offers.
- 5.4 While the property is structurally sound, the internal specification of the property falls below that standard that would be expected in the market and it is likely that the Council would need to make a significant capital investment to internally refurbish the property, including external modernisation (cladding etc) to maximise its revenue generating potential and ensure that it complies with future energy performance requirements for commercial lettings.
- 5.5 In addition to the above, the configuration of the property may not be optimal and therefore redevelopment of the site could (subject to planning) increase the density, and therefore value to the Council. The property would also lend itself well to alternative uses such as residential (private or social), student accommodation, retirement living etc.
- 5.6 It is therefore proposed (subject to 5.7) that the Council disposes of its freehold interest in the property by way of an open market disposal. As the property currently generates an income, the option of the property with the benefit of those tenants will be considered. By doing so, it is considered that the rental income would support the short-term management of the property by the purchaser and therefore potentially have a positive impact on the value.
- 5.7 It is also proposed to also explore the 'disposal' of the property to the Housing Revenue Account (HRA) for Northamptonshire Partnership Homes (NPH) to deliver a housing

scheme on it. If such a scheme is approved under the NPH governance arrangements recommendation 3.1.1(a) would enable its transfer to the HRA, with the agreed capital value paid to the General Fund capital balances. Such a scheme has the potential to reduce General Fund revenue costs through, for example, reducing temporary accommodation costs.

*Former Ribble Close Group Home, Northampton*

- 5.8 Ribble Close is situated in Kings Heath, Northampton and is a former group home. The property was originally built as a pair of semi-detached residential properties but was converted by Northamptonshire County Council (NCC) into a single building.
- 5.9 Several years ago, the occupying service (Adult Social Care) decided that the property was surplus to its needs and subsequently vacated. While NCC, and more recently WNC, has explored options for the premises, the property remains vacant. During this time, the Council has been responsible for the utilities, council tax and general maintenance and upkeep of the site. As such the property is a financial burden for the Council.
- 5.10 At a recent meeting of the Capital and Assets Board (CAB), it was determined that internal use of the property should be explored, but in the absence of any justifiable need, the property would be disposed in line with good estates management practices.
- 5.11 Initial interest was received from the Children's Trust, Adult Social Care and the Homelessness team and viewings were undertaken. While no longer-term use was identified, the Homelessness team have identified the property as being suitable for temporary use to house homeless people during the winter months. While this is being progressed, this use would not impact on the longer-term options for the site.
- 5.12 It is therefore proposed that the Council offer the freehold of the property to the market and align completion with the termination of use by the homelessness team. Consideration would also be given to separating the units back into two separate dwellings if it is felt that there would be a financial benefit to the Council in doing so. This would require some initial capital funding by the Council but may allow it to generate a higher capital receipt.

*Former Ecton Brook Elderly Persons Home, Northampton*

- 5.13 The former Ecton Brook Residential Care Home located in the Eastern part of Northampton. The property was vacated around 2017 after the residents were relocated to alternative provision.
- 5.14 While alternative options for the site were explored, no justifiable alternative use was identified. The property was subsequently declared surplus to the requirements of NCC, which formally marketed the freehold interest in the site. Several proposals were

received, which included wholesale redevelopment as well as conversion. The property was placed under offer on a subject to planning basis to a social housing provider.

- 5.15 While the planning process delayed the disposal, a sale was due to complete when the Covid-19 pandemic arose. Given the nature of the property, and the potential need to create step-down accommodation to free up beds in hospitals as part of the County's emergency response, NCC withdrew from the sale. It then undertook works on the property to ensure that it was ready to meet the care need if it arose.
- 5.16 The property is no longer required as part of the emergency planning response and now sits empty again. Unfortunately, the property has been the subject to vandalism and arson in the last three months, which has caused significant damage to one of the wings. This emphasises the need to dispose of the asset as soon as practicably possible to minimise financial risk to the Council. As the property is likely to be demolished by future purchasers, this fire is unlikely to have had a detrimental impact on value, but such occurrences do pose an additional health and safety risk that the Council needs to manage.
- 5.17 While the property has not been openly market of yet, the Council has received a number of unsolicited approaches for the site from private developers. In addition to this, the Council is also exploring options for the 'disposal' of the site from the General Fund to the Housing Revenue Account, to enable it to be used to meet its own social housing needs.
- 5.18 It is therefore proposed that the Council offers the freehold of the property to the market. As most of the interest in the past has been from social housing providers, it is also proposed to also explore the 'disposal' of the property to the Housing Revenue Account for NPH to deliver a housing scheme on it. Initial assessment suggests it should be possible for such a scheme to deliver market value for the site, thus achieving best consideration. If such a scheme is approved under the NPH governance arrangements recommendation 3.1.1(c) would enable its transfer to the HRA, with the capital value paid to the General Fund capital balances.

*Former Evelyn Wright Elderly Persons Home, Daventry*

- 5.19 The former Evelyn Wright Elderly Persons Home is located on Badby Road, Daventry. The property was vacated several years ago after the residents were relocated to alternative provision within the town.
- 5.20 NCC had explored alternative uses for the site, but no justifiable uses have been identified. While the property was previously declared surplus to the requirement of NCC, no formal marketing commenced prior to vesting day.
- 5.21 Discussions continued post vesting day and while options for use of the site have been explored by the WNC services, no deliverable option has been identified. There has



however been an indication that a service provider in the care sector would like to deliver a scheme on the site. It is possible this might offer sufficient benefit to the Council to justify a disposal (freehold or leasehold) to that provider.

- 5.22 It is therefore proposed that the Council offer the freehold of the property to the market. Alongside this the potential interest from the service provider would be explored. If it appears likely to be a more favourable outcome then a separate decision would be sought on that use and allied disposal.

*Walker House, Moulton Park, Northampton*

- 5.23 Walker House comprises a converted manufacturing unit on Pondwood Close, Moulton Park Industrial Estate, Northampton and extends to approximately 794 sq m (8,545 sq ft) on a site of approximately 0.174 hectares (0.430 acres). Internally the property provides office, kitchen, WCs, and locker / changing room facilities. An element of on-site car parking is also provided.

- 5.24 The property is currently held by the Council on the residue of a 99-year long lease which expires in October 2070. Under the provisions of the Lease, the Council pays a ground rent which is subject to rent reviews every 21 years. The current passing rent is £12,500 per annum.

- 5.25 Prior to vesting day NCC considered several alternative uses for the site however none were deemed suitable. Since vesting day, WNC has continued to review options for the site given the greater breadth of services that it now provides. However, no service use for the property has been identified. The property has therefore remained vacant for several years, during which time the Council has been responsible for its holding costs (rent, rates, utilities etc).

- 5.26 To reduce operational costs, it is proposed to dispose of the Council's interest in the property to the maximum extent practical. Given the existing agreements, the Council has the option to sub-let, on conventional or long lease, or to seek to assign its leasehold interest in the property to a purchaser. In granting a long sub-leasehold or assignment it may receive a premium (capital receipt) as well or instead of rent. To maximise the chances of success, it is proposed to offer the property on all available bases and take the most beneficial offer.

*Former Brackley Swimming Pool Site, Brackley*

- 5.27 The Former Brackley Swimming Pool site comprises a site of approximately 0.945 hectares (2.33 acres) situated just off Manor Road, Brackley. The site is held freehold by WNC, having previously formed part of the NCC portfolio.

- 5.28 Historically the site was leased in its entirety to South Northamptonshire Council (SNC), which constructed a swimming on part of the site with associated parking facilities. To the northeast of the former swimming pool site is an area of playing field which was leased by SNC to a local football club. Following the development of a new Leisure Centre, the current swimming pool site was no longer required. NCC accepted a surrender of the lease, predicated on the existing swimming pool building being demolished to an agreed standard. These works were completed, and the lease was surrendered. The site has been vacant since that time.
- 5.29 The site has been identified as a potential residential development site. Although it is not currently allocated for such a use in the Local Plan, it seems likely it would be acceptable given the location. It may be that a land swap with an adjacent school would provide a more coherent site; in principle this should be achievable.
- 5.30 Additionally, the Council has received an approach from Brackley Town Council (BTC) which wishes to purchase the site to allow for other transactions it is considering.
- 5.31 It is therefore proposed to pursue negotiations with BTC on the basis of a best consideration disposal, although potentially with staged payments. Should this not proceed, the property would be marketed and sold to the party making the best offer. Disposal would be by freehold.

## **6. Issues and Choices**

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- 6.1 The Council has the following options.

### *Albion House, Northampton*

- 6.2 (1) Do nothing – The Council could retain the property. It has not identified an internal use for the property and as such it would have to hold the property for an indefinable length of time. As previously identified, the property is largely vacant and the existing office accommodation falls below the standard that would be expected in the market, and as such would require significant capital investment in order to maximise revenue income and ensure that the property is compliant with changes to the Minimum Energy Efficiency Standards (MEES) which are due to come into force in a few years' time. In addition to this, the Council would continue to incur holding costs while the property is vacant.
- 6.3 (2) Seek outline planning permission for a revised use or development – While this could be a valid approach, the Council would need to ensure that the scheme for which is sought planning permission was one that would derive the highest return. This becomes complicated on sites where there are multiple alternative uses. Offices would generate a different value to retirement flats, which in turn would deliver a different value to social

housing, etc. It is therefore hard to conclude this approach would deliver the best overall value.

- 6.4 (3) Dispose without obtaining planning permission – Given the multiple different potential uses for the site, this seems the most pragmatic approach.
- 6.5 (4) 'Dispose' to the Housing Revenue Account – As described above, this may enable the Council, via NPH, to deliver social housing and allied facilities on the site whilst the General Fund still received best consideration.
- 6.6 Option 3 is recommended unless delivery of a social housing scheme on the land is approved under the NPH governance arrangements, in which case Option 4 would be recommended.

*Former Ribble Close Group Home, Northampton*

- 6.7 (1) Do nothing – The Council could take the decision to retain the property. Further to the investigations, the Council has not identified a service use for the property and as such it would have to hold the property for an indefinable length of time. Council would continue to incur holding costs whilst the building was vacant. It would also be at risk of vandalism or arson.
- 6.8 (2) Subdivision of properties prior to disposal – This will be a key consideration of the disposal process. As the properties were originally constructed as a pair of semi-detached properties, the Council will need to evaluate whether it would command a higher capital receipt by returning the properties to their original state, then selling them in their existing form. Such an approach would require the Council to commit capital to complete these works. However, this would only be considered if it offered a financial return that was greater than the cost of the works. This option would therefore be considered as part of planning for disposal.
- 6.9 (3) Disposal without subdivision – This option would therefore be considered as part of planning for disposal. It is essentially the mirror image of option (2).
- 6.10 Either option (2) or (3) could be preferable. The final decision would be taken once analysis of the cost and likely impact on capital receipts had been assessed.

*Former Ecton Brook Elderly Persons Home, Northampton*

- 6.11 (1) Do nothing – The Council could retain the property. However, the Council has not identified an internal use for the property and as such it would have to hold the property for an indefinable length of time. The Council would continue to incur holding costs whilst the building was vacant. It would also be at risk of vandalism or arson.

- 6.12 (2) Seek outline planning permission for a revised use or development – While this could be a valid approach, the Council would need to ensure that the scheme for which is sought planning permission was one that would derive the highest return. This becomes complicated on sites where there are multiple alternative uses. Social housing would generate a different value to retirement flats, etc. It is therefore hard to conclude this approach would deliver the best overall value.
- 6.13 (3) Dispose without obtaining planning permission – Given the multiple different potential uses for the site, this seems the most pragmatic approach.
- 6.14 (4) 'Dispose' to the Housing Revenue Account – As described above, this may enable the Council, via NPH, to deliver social housing and allied facilities on the site whilst the General Fund still received best consideration.
- 6.15 Option 3 is recommended unless delivery of a social housing scheme on the land is approved under the NPH governance arrangements, in which case Option 4 would be recommended.

*Former Evelyn Wright Elderly Persons Home, Daventry*

- 6.16 (1) Do nothing – The Council could retain the property. Further to the investigations, the Council has not identified an internal use for the property and as such it would have to hold the property for an indefinable length of time. The Council would continue to incur holding costs whilst the building was vacant. It would also be at risk of vandalism or arson.
- 6.17 (2) Seek outline planning permission for a revised use or development – While this could be a valid approach, the Council would need to ensure that the scheme for which is sought planning permission was one that would derive the highest return. This becomes complicated on sites where there are multiple alternative uses. Social housing would generate a different value to retirement flats, etc. It is therefore hard to conclude this approach would deliver the best overall value.
- 6.18 (3) Dispose without obtaining planning permission – Given the multiple different potential uses for the site, this seems the most pragmatic approach.
- 6.19 (4) Dispose by private treaty to potential service provider – This may offer greater value to the Council, but the detailed are not yet sufficiently clear to confirm if this is the case. Therefore, further investigation is required.
- 6.20 Subject to Option 4 not proceeding, Option 3 is recommended.

*Walker House, Moulton Park, Northampton*

- 6.21 (1) Do nothing – The Council could decide to do nothing and continue to hold the property vacant. Given the investigations that have previously been undertaken by NCC and more recently by WNC, it is unlikely that the Council will have a future need for the property. The Council would continue to incur holding costs whilst the building was vacant. It would also be at risk of vandalism or arson.
- 6.22 (2) Market and secure a new tenant – As the Council has the benefit of the residue of the existing lease (around 50 years), it could look to secure a commercial tenant for the property. In the current market, it is likely that a tenant would consider a five-year term (or ten with a break at five), although longer terms are possible. It is understood that the property is likely to be well received on the market. As the Council pays a ground rent, such an approach would allow it to benefit from any profit rent (difference between the ground rent and the market rent). As with any commercial letting, it would carry the risk or rental voids while vacant.
- 6.23 (3) Dispose of its long leasehold interest – Given the profit rent (discussed above) that is likely to exist with this property, it is possible that the Council could dispose of its long leasehold interest in the property for a premium. The level of premium payable would vary from tenant to tenant and will be inherently linked to the unexpired term, and the level of works that a purchaser may need to make to the property to make it fit for their purpose. Therefore, it is not possible to determine what level of premium could be commanded without exposing the property to the market. This disposal may be for a term less than the remaining lease, or it could be for the whole remaining term, in which case the lease would be assigned to the new tenant.
- 6.24 (4) Acquisition of the freehold – This option would be considered if WNC has a longer-term use for the property and it permanently secures the availability of the property. As no use has been identified, such an action would be unnecessary. In addition to this, while it would be reasonable to assume that the value of an unencumbered freehold would be more valuable than the Council's long leasehold interest, to realise this, the Council would need to negotiate that acquisition with the current freeholder. It is likely that the Council would need to share any benefit with the landlord, reducing the overall benefit to the Council. Whilst possible the Council has no obvious benefit from acquiring this property.
- 6.25 As noted above, either Option 2 or 3 could offer the best consideration. Accordingly, the property would be marketed for both possible outcomes and the best offer selected.

*Former Brackley Swimming Pool Site, Brackley*

- 6.26 (1) Do nothing – The Council could decide to do nothing and continue to hold the property vacant. Given the investigations that have previously been undertaken by NCC and more recently by WNC, it is not possible to determine whether the Council will have a future

need for the property, however this is considered unlikely. By continuing to hold the property vacant, it will continue to be responsible for the management and maintenance of the site and would forego the ability to generate a capital receipt from the disposal.

- 6.27 (2) Dispose of the Freehold – Given the investigations in relation to any future use of the site, disposal of the freehold would enable the Council to mitigate the cost, and risk of holding the property vacant. Such an action would also allow the Council to generate a capital receipt and meet its best consideration obligations.
- 6.28 Option 2 is recommended. This may be, as noted above, by private treaty to Brackley Town Council, or to another purchaser, probably a developer.

## **7. Implications (including financial implications)**

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### **Resources and Financial**

#### *General*

- 7.1 In line with proposals developed during work on the 2023/24 budget, it is proposed where capital disposals are concerned, to levy a 5% fee (revenue) reflecting the Council's time and expense in processing such disposals. Realistically buyers will not simply add that fee onto the total they pay, so in whole or part this is likely to result in lower capital receipts. In some cases the fee will be higher and in others lower than needed to reflect the Council's costs, but overall it should balance out.
- 7.2 In each case it is expected the Council and the other party would bear their own costs. In the case of the Council, this would include, as required, things such as the provision of a Red Book valuation or the appointment of an external consultant to manage the disposal.

#### *Albion House, Northampton*

- 7.3 The former NBC commissioned a valuation of the property in 2020 which determined that the value of the asset could reach £900,000. Values are likely to have changed since that time but exposure to the market will prove current market value.
- 7.4 In addition to the capital receipt that WNC would generate through the disposal of the asset, it is important to note that as the property currently forms part of the Council's investment estate, it will also lose the income that is currently received from the tenant which currently equates to [£xxk] per annum. Additionally, there is income of [£xk] pa from use of the roof for telecommunications. Future revenue income targets would need to be reduced following sale.
- 7.5 As noted in the body of the report, there is a draft scheme prepared by NPH for housing development on the site. If it is concluded this scheme would offer greater value to the

Council than a disposal, the disposal process would be terminated and a transfer from the General Fund to the Housing Revenue Account made. This would result in a payment from HRA capital to General Fund capital reflecting the agreed value of the site (potentially with adjustment if necessary to make the scheme work, if there was still an overall benefit to the Council from proceeding).

*Former Ribble Close Group Home, Northampton*

- 7.6 As noted in the body of the report, it may be worthwhile splitting the building back into two houses. If it appears likely this would provide an enhanced value greater than the cost, it would be done.

*Former Ecton Brook Elderly Persons Home, Northampton*

- 7.7 The Council would also consider the demolition of the existing structure as part of any disposal process. This would incur a capital cost, but would remove the financial risks to the Council associated with vandalism etc. As any future purchaser is likely to demolish and redevelop the site, any offer received will make allowance for the demolition (usually with an element of contingency). By demolishing the buildings the Council could mitigate the holding costs and risk during the marketing period, whilst also removing any contingency adjustments from purchasers' bids.

- 7.8 As noted in the body of the report, there is a draft scheme prepared by NPH for housing development on the site. If it is concluded this scheme would offer greater value to the Council than a disposal, the disposal process would be terminated and a transfer from the General Fund to the Housing Revenue Account made. This would result in a payment from HRA capital to General Fund capital reflecting the agreed value of the site (potentially with adjustment if necessary to make the scheme work, if there was still an overall benefit to the Council from proceeding).

*Former Evelyn Wright Elderly Persons Home, Daventry*

- 7.9 The Council would also consider the demolition of the existing structure as part of any disposal process. This would incur a capital cost, but would remove the financial risks to the Council associated with vandalism etc. As any future purchaser is likely to demolish and redevelop the site, any offer received will make allowance for the demolition (usually with an element of contingency). By demolishing the buildings the Council could mitigate the holding costs and risk during the marketing period, whilst also removing any contingency adjustments from purchasers' bids.

*Walker House, Moulton Park, Northampton*

- 7.10 As highlighted earlier in this report, the property has been vacant for several years, during which time the Council has paid the holding costs. The costs include rent, utilities, and

business rates which have been around £20k per annum. By progressing with the recommendation, the Council should be able to mitigate this cost and in turn generate a revenue income or capital receipt (premium).

*Former Brackley Swimming Pool Site, Brackley*

- 7.11 In response to the approach from BTC, an independent Red Book Valuation will be undertaken to determine the market value of the asset. If this results in an agreement with BTC the value so determined would guide the price to be paid. BTC has indicated it would like to pay by instalments. This is acceptable in principle, but the price to be paid would be adjusted to allow for the interest WNC would have earned or paid had the full price been paid at one time.

**Legal**

*General*

- 7.12 The Council has the power to disposal of the land outlined in this report under section 123 of the Local Government Act 1972 (the '1972 Act'). This provides that the Council in exercising its power is free to dispose of its land as it may determine subject to a duty (under sub-section 2) to dispose of it for the best consideration reasonably obtainable unless the Secretary of State otherwise consents, and subject to further duties in relation to disposal of open space (see below).
- 7.13 The Secretary of State has issued the General Disposal Consent (England) 2003 (the 'General Consent'), which permits land disposals at less than best consideration that can be reasonably obtained where the Council considers that a disposal at less than best consideration will help it to secure the promotion or improvement of the economic, social, or environmental well-being of its area. This is subject to the under-value not exceeding £2 million. Under-values above £2m require specific consent.
- 7.14 Any disposal of land at less the best consideration is also a form of subsidy. The giving of subsidy is subject to restrictions under the Subsidy Control Act 2022 as these come into force, and until then by the provisions of the European Union (Future Relationship) Act 2020.
- 7.15 Apart from the potential disposal of the open space in Towcester, all the proposed disposals are designed to be at full commercial value. Accordingly, neither the Section 123(2) nor the subsidy control provisions should be of concern in those cases.
- 7.16 Specific comments are provided below against specific proposed disposals were these are called for.



*Former Brackley Swimming Pool Site, Brackley*

- 7.17 Over time the residents of the properties that front Manor Road, Brackley have used the access road to gain access to the rear of their properties, some of which have erected garages. It is possible that these tenants may have gained rights to use the site access and egress which we will need to be appropriately managed through the disposal process.
- 7.18 In addition, to the above, since the closure of the swimming pool, staff and parents of Brackley Church of England Primary School have used the site for parking and school drop off. While this is not a documented right, and unlikely to be legally enforceable, it is appropriate to highlight this as it is likely to be a consideration as the disposal progresses.

**Risk**

*General*

- 7.19 Where sites with buildings on them or are open land without formal uses, the only substantial risk associated with disposal would be that the Council, having disposed of the property, then identifies a need which could be met by using it. However, in each case options have been assessed and no convincing case for a service need has been identified.
- 7.20 The principal risks for the Council in such cases would derive from a decision to do nothing whereby the Council would continue to be exposed to the financial risk of holding a property empty, including rates, utilities, general repairs and maintenance, the risk of vandalism, and acquisition of third party rights.
- 7.21 Specific comments are provided below against specific proposed disposals were these are called for.

*Former Ecton Brook Elderly Persons Home, Northampton*

- 7.22 The property has been vacant for a number of years and has more recently been the subject of vandalism and arson that has caused considerable damage to one of the wings. A decision by the Council to do nothing, would mean that the Council would continue to be exposed to risk, and the health and safety concerns that are associated with unauthorised access. This risk would however be partly mitigated should the existing structure be demolished.

*Former Evelyn Wright Elderly Persons Home, Daventry*

- 7.23 The property has been vacant for a number of years and has more recently been the subject of vandalism and arson that has caused considerable damage to one of the wings. A decision by the Council to do nothing would mean that the Council would continue to be exposed to risk, and the health and safety concerns that are associated with

unauthorised access. This risk would however be partly mitigated should the existing structure be demolished.

*Walker House, Moulton Park, Northampton*

- 7.24 If the Council took the decision not to proceed with the recommendation, it would continue to carry the financial risks associated with keeping the property empty. As highlighted above, these equate to approximately £20,000 per annum. This risk is mitigated through the leasehold or long-leasehold disposal.
- 7.25 The Council would retain some future risk on the leasehold disposal option given possible future void periods (for re-letting).
- 7.26 There is also the risk associated with the Council not being able to demonstrate that it has met its obligations to achieve the best consideration reasonably obtainable. Given the nature of the agreements that affect the site, it is not possible to determine at this stage which option would deliver the greatest financial return for the Council. This risk is mitigated through the recommendation to seek proposals on both options that the Council can then consider on their merits.

*Former Brackley Swimming Pool Site, Brackley*

- 7.27 There are risks around legal rights which may have been established through informal use of the land. These would be managed by disclosure through the sale process.

**Consultation**

- 7.28 In relation to the disposals recommended under this report, no external consultation has been undertaken. None is considered necessary except for the statutory invitation of objections relating to the disposal of open space (Bury Mount [the Watermeadows], and other small areas of open space in Towcester). Given the nature of the proposed transfers, objections appear to be unlikely.

**Climate Impact**

- 7.29 Most of the disposals relate to existing buildings, many of which are likely to be demolished. These disposals would enable development or potential adaption of existing buildings and subsequent occupation. Development of any form inevitably results in carbon emissions. However, the sites are generally in urban areas and thus support development and use in more sustainable locations, accessible by a range of means of transport other than the car. New buildings or major refurbishments should also be to modern building standards, thus reducing energy use and carbon emissions in operation.

## **Community Impact**

- 7.30 Most of the disposals should result in disused buildings or land being brought back into productive use. This is likely to benefit the community both directly from the new uses, and indirectly through reduced potential for criminal and anti-social behaviour, fire risk, and appearance of neglect.
- 7.31 In respect of the disposal of the Former Brackley Swimming Pool site, as outlined earlier in this report, the Council has received interest in the site from BTC which would be looking to utilise the site. Should this disposal be agreed, it should positively impact on the local community within Brackley.

## **Communications**

- 7.32 When opportunities are to be presented to the market for offers, this will be communicated openly and transparently. This should maximise the likely returns to the Council and help ensure that it meets its obligation to achieve the best consideration reasonably obtainable.

## **8. Background Papers**

- 8.1 None.