

Disposal of the former Carrington Way Public Conveniences in Wincanton

Executive Portfolio Holder: Councillor Ric Pallister, Strategy and Policy
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Purpose of the Report

The purpose of this report is to obtain the Committee's consent to the disposal of the former Carrington Way Public Conveniences (PCs) in Wincanton.

Forward Plan

This report did not appear on the District Executive Forward Plan as initially there was only one interested party but the Property eventually went to tender to select the most suitable purchaser.

Recommendation(s)

That District Executive approve:

1. the disposal of the freehold of the former Carrington Way Public Conveniences in Wincanton at a price of £29,000. The disposal is subject to the purchaser obtaining A3 change of use planning
2. That a restrictive usage covenant and overage clause be placed on the Title protecting against any future residential development or change of use.
3. That each party bears their own legal and professional costs.

Background

Within the comprehensive spending review greater emphasis is being placed on Councils ensuring that their assets are delivering value for money.

At the same time, members looked at the provision of local services in our assets and requested that officers work with local town and parish councils to see whether they would consider taking on those local services on behalf of their communities.

Until 2011 the management of these conveniences sat with the Town Council who, in 2011, made the decision to close the facilities as this was one of three public convenience provisions within the Town.

Since being returned to the District Council the property has been marketed for a commercial tenant without success. It was felt that due to the location of these facilities, it would be advantageous for SSDC to retain the freehold of the property. However, the property is bordered on two sides by privately owned land and on the other two sides by Somerset County Councils land, which is currently leased to the District Council for car parking provisions. As a result of the neighbouring land holdings the Property would have no influence on any redevelopment schemes which might be brought forward by the neighbouring landowners.

Due to the properties prominent location, being closed up for so long and the revised opinion on its influence on any neighbouring redevelopment, resulted in the marketing of the property changing to include freehold disposal.

SSDC has had some success at marketing these properties for alternative use and it is proposed to market, and dispose of, these facilities in the same way.

Commercial Property Disposal

As part of the on-going work with Town and Parish councils, a number of properties are now surplus to requirements and Carrington Way PCs in Wincanton is one such property. Whilst the Town Councils decision to close these facilities took place in 2011, since being returned to SSDC the Council is still spending in excess of £1,000 per annum for utilities and Business Rate payments related to this property.

In other similar scenarios the Council has had great success in disposing or using these facilities for other purposes:

- 1) Stoke Sub Hamdon PCs – sold on the open market and is now a studio for a photographer
- 2) Milborne Port PCs – was sold on the open market to a community group who have now reopened the facilities on a “payment” basis
- 3) South Petherton PCs – was marketed for a commercial tenant and is now the office of a security and fire company
- 4) West Street Car Park, Ilminster PCs – planning permission was obtained for the Gents and Disabled toilet block to be converted into a residential property. It was then marketed on the open market and the block has been demolished and replaced by a residential property.
- 5) West Street Car Park, Crewkerne PCs – this has been leased to the Town Council as a storage unit.
- 6) Grove Alley PCs, Bruton – these facilities are in the process of being disposed of to facilitate the expansion of the local corner shop in Grove Alley.

The Carrington Way PC building has been marketed for a commercial tenant or freehold disposal for some months. As part of this new marketing strategy, both neighbouring land owners were approached and advised of the Councils decision to dispose of the properties freehold. Initially there was little interest but upon receiving a formal offer from one of the interested parties, a second followed in quick succession. In order to ensure full consideration to both offers, the Council requested that its Agent obtain informal tenders from both parties.

The Councils agents received 3 expressions of interest in the property with 2 potential purchasers submitting bids. The bids were reviewed by a panel of officers, Ward Members and Area Chairman on 12 October 2015 to select a suitable bidder for consideration by the District Executive Committee. The bids received were both for a freehold purchase, A3 usage, subject to obtaining change of use planning consent and above the valuation. The main difference between the two bids was the price offered and the agreement to accept the Councils decision to place an overage on the property Title.

The preferred bid for consideration by District Executive was, in this instance, the highest bidder who had supplied a structured case and plan showing how the property might be used in the future and agreeing to the overage being placed on the Title. It is hoped that this proposal will bring people back into the centre and contribute to the economic prosperity of Wincanton, whilst achieving a capital receipt of £29,000, less costs.

The property only has the benefit of pedestrian access and will be sold with these rights of access. Any vehicular access requirements will be the responsibility of the new owner to negotiate with the relevant neighbouring landowner.

An overage clause, of 20% for the next ten years, will be placed on the title at completion to protect against any future change of use or residential development, which will include a restriction of A3 use only.

As the Council has deemed this property surplus to its requirements it is proposed each party will bear their own legal and professional costs.

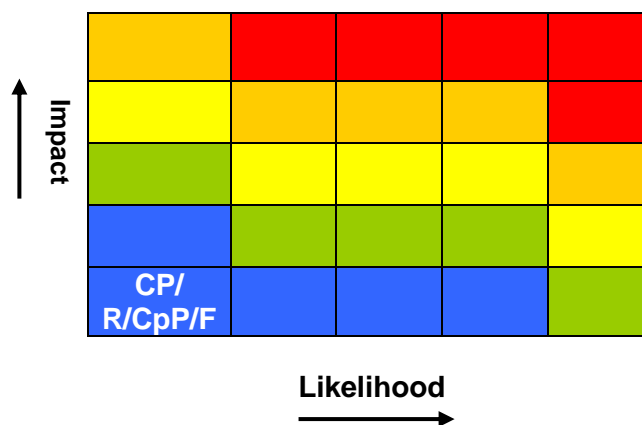
District Executive is being asked to approve the decision made by the Panel and agree to the disposal of the former public conveniences at Carrington Way, Wincanton.

Financial Implications

If Members agree to the disposal of the property, the Council would receive a net capital receipt of approximately £28,500, which will be released for other capital projects. If the sum were invested it would earn an average of £900 per annum over the longer term. It also removes the maintenance liabilities of any maintenance or related costs to this empty property but the savings for revenue expenditure, on these toilets, was taken at the time they were transferred to the Town Council. Upon returning to SSDC the costs have been covered by the remaining budget which was not increased, to reflect this additional liability, at the time of their return.

Through the disposal SSDC will have no further involvement in the risks and overhead costs of these premises.

Risk Matrix



Key

Categories	Colours (for further detail please refer to Risk management strategy)
R = Reputation	Red = High impact and high probability
CpP = Corporate Plan Priorities	Orange = Major impact and major probability
CP = Community Priorities	Yellow = Moderate impact and moderate probability
CY = Capacity	Green = Minor impact and minor probability
F = Financial	Blue = Insignificant impact and insignificant probability

Corporate Priority Implications

Delivering Well-Managed Cost Effective Services.

- Provide even better value for money from our services

Carbon Emissions and Climate Change Implications

Although electricity use and subsequent carbon emissions arising from the property is small, any reduction in carbon attributable to the council will help us meet our carbon reduction targets.

Equality and Diversity Implications

The facilities have been closed since 2011 and disposal would have no impact in this regard.

Background Papers

Agents advice on Market value

Condition Survey conducted by Property Services.

Whilst the tender information is confidential, it can be released to members upon request.



ASSET SALE APPRAISAL FORM

Section 1

Name of Asset to be Sold	Project No.
<p>Asset to be disposed of:-</p> <p>Former public conveniences at Carrington Way, Wincanton BA9 9JS</p> <p>Lead Officer:</p> <p>Diane Layzell, Senior Land and Property Officer</p>	

Section 2

Reason for Sale
<p>The property has been deemed surplus to our requirements and even when closed, the building is incurring annual costs for the Council.</p> <p>Meets Corporate Priority:</p> <ul style="list-style-type: none"> • Deliver well managed cost effective services valued by our customers

Section 3

Income From Sale	
Gross Income from Sale	£ 29,000
Less Cost of Sale e.g. valuation fee	£ 500
Net Income (cost)	£ 28,500

Section 4

Loss of Rental or Other Income						
	Mgmt Code	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Rental Income		N/A				
Other Income						

Section 5

Savings in Costs (annual)
<p>The unbudgeted costs since the property was returned to SSDC equate to £1019.00 pa. By disposing of the property, these monies can be utilised on the facilities for which they were intended.</p>

Section 6

Savings in Costs - one off (i.e. urgent major repairs required)
None planned or needed at present

Section 7

Financial Analysis – Revenue						
	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	
Interest from receipt	(900)					
Loss of Income						
Savings in Expenses						
- Salaries						
- Repairs & Maintenance						
- Other						
Total Revenue Cost / (Net saving)	(900)					

Section 8

Scheme Evaluation by Management Team

Section 9

Stage of Project (i.e. Feasibility)
N/A

Section 10

Expected Completion Date
It is hoped that if the disposal is agreed that the Capital monies can be invested in early 2015/16.