

**Cheltenham Borough Council
Cabinet Member for Finance
Sale of 6 Columbia Street
22nd September 2015**

Accountable member	Councillor John Rawson
Accountable officer	David Roberts (Head of Property & Asset Management)
Ward affected	Pittville
Significant Decision	Yes
Executive summary	<p>6 Columbia Street until recently was let as social housing. The dwelling is now vacant and the council has been advised by its housing management agent –Cheltenham Borough Homes to sell the properties on the open market as the cost of work required to modernise would not realise an appropriate return from a social letting. Any proceeds arising from the sale should be used to provide capital for further housing development</p> <p>A marketing exercise was undertaken and details of the outcome are attached within the exempt Appendix 2</p>
Recommendations	<p>That the Cabinet Member:</p> <p>1. authorises the Head of Property and Asset Management to proceed to completion with the sale of 6 Columbia Street to the preferred bidder set out in the Appendix and</p> <p>2. If, for whatever reason the sale to the preferred bidder does not proceed, authorises the Head of Property and Asset Management to proceed with the sale of the property to the next best bidder and;</p> <p>2. authorises the Borough Solicitor to prepare documents effecting the transfer of the property upon the terms agreed by the Head of Property and Asset Management, together with such additional terms and documents as she considers necessary or desirable (in consultation with the Head of Property and Asset Management) to protect the Council’s position</p>
Financial implications	<p>A detailed option appraisal is contained within the report and appendices. The capital receipt will be exempted from pooling regulations with the full proceeds being retained by the Council to fund new affordable housing and/or regeneration</p> <p>Contact officer: Paul Jones,paul.jones@cheltenham.gov.uk, 01242 775154</p>

Legal implications	As the property forms part of the Council's housing stock, the provisions of section 32 of the Housing Act 1985 must be complied with. A disposal can only take place if consent has been granted by the Secretary of State for Communities and Local Government. The Secretary of State has given a general consent for the disposal of an unoccupied dwelling houses at market value, subject to exclusions which need not be considered here if CBH does not intend acquiring the property. (Consent A3.1.1) Contact officer: Rose Gemmell, rose.gemmell@teWKesbury.gov.uk, 01684 272014
HR implications (including learning and organisational development)	None specific arising from the recommendations. Contact officer: Carmel Togher Email: carmel.togher@cheltenham.gov.uk, 01242 775215
Key risks	That the sales do not proceed to completion which will result in remarketing and a delay in realising a capital receipt.
Corporate and community plan Implications	The sale delivers a capital receipt to the council, so as to enable additional housing to be constructed.
Environmental and climate change implications	
Property/Asset Implications	As set out in this report Contact officer: david.roberts@cheltenham.gov.uk

1. Background

- 1.1 6 Columbia Street is a 19th century end terrace property that does not have the benefit of a cavity wall and also only has a single brick thick flank wall which has resulted in penetrating damp to the property.
- 1.2 Cheltenham Borough Homes carried out a measured survey of the likely cost to bring the properties to modern standards and concluded that the cost of carrying out the work (see exempt Appendix 1) cannot be recouped from social rent within a reasonable time-frame

2. Reasons for recommendations

- 2.1 It is clear from the information within the exempt appendix that the council would not be able to recoup the cost of repair and improvement to this property from the social rent received and therefore any improvement project would run at a loss for the council.
- 2.2 The option to dispose on the open market is viewed as the most appropriate route and is supported by the financial information contained within exempt appendix 1.
- 2.3 A number of offers were received for the property and are detailed in exempt appendix 2 to this report. The offer accepted is unreserved and ideally seeking an exchange of contracts within 2

weeks.

3. Alternative options considered

- 3.1** The council could consider carrying out the necessary improvements to the property but would have to be prepared to accept a substantial loss on this investment of capital, which would not reflect the council's need to achieve best value.

4. Consultation and feedback

- 4.1** The council's cross-party Asset Management Working Group were consulted as to the approach adopted within this report and it was accepted that disposal of the property was the most appropriate course of action.

- 4.2** Ward councillors were contacted and no adverse comments were received.

5. Performance management –monitoring and review

5.1

Report author	Contact officer chris.finch@cheltenham.gov.uk, 01242 264109
Appendices	<ol style="list-style-type: none">1. Risk Assessment2. Exempt Appendix 13. Exempt Appendix 2
Background information	<ol style="list-style-type: none">1.

Risk Assessment

Appendix 1

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the offers as set out are not accepted then there will be a delay in receiving the capital receipt whist new purchasers are found	DR	07/09/2015	1	2	3	Accept	Manage	30/09/2015	CF	