

# Cheltenham Borough Council

## Cabinet – 11 July 2023

### Disposal of 6 Saville Close

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**Accountable member:**

Cabinet Member for Finance & Assets and Deputy Leader, Councillor Peter Jeffries

**Accountable officer:**

Gemma Bell, Director for Finance & Assets and Deputy s.151 Officer

**Ward(s) affected:**

Pittville

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**Key Decision:** Yes

**Executive summary:**

In November 2020 the Council approved the COVID-19 Recovery Budget for 2020/21 which included the strategy of disposing of a number of sites to manage the forecast budget deficit. One of the sites which was noted for disposal was land adjoining 6 Saville Close.

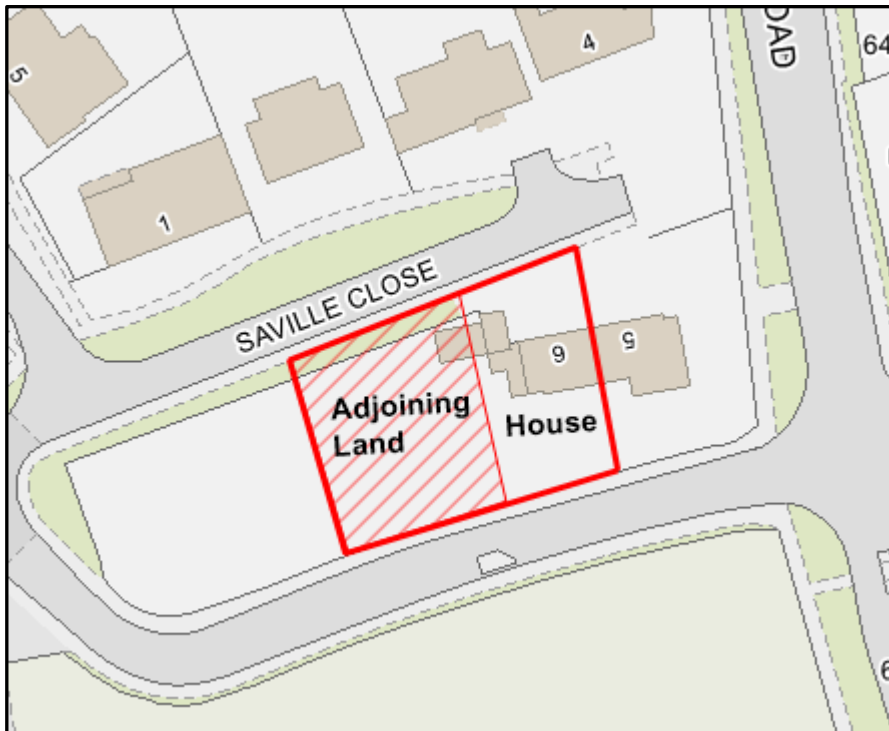
The Council owns 6 Saville Close, a post war four bedroom semi-detached house which forms part of the council's Housing Revenue Account estate. It has an extensive garden and has been vacant since 2022. In line with the principles in the Council's asset management strategy, its alignment with our Corporate Priorities has been reviewed as part of the wider strategy to dispose of the land.

Due to the location of the property and the potential to split part of the garden to provide a plot for residential development, it has a substantial asset value, estimated to be in excess of £1m combined as two separate lots. Government policy advises Local Authorities not to hold individual high value houses for HRA purposes but rather, to secure the sale and reinvestment into new affordable housing and regeneration.

The Council has already endorsed the principle of ensuring our land and property asset portfolio is fit for purpose, secures increased income generation, maximises capital receipts and stimulates growth and investment in the Borough.

The review of 6 Saville Close against these principles recommends disposing of the house itself, as well

as part of the adjoining garden land as a separate lot (hatched). The house has been marketed for a number of weeks and has attracted significant interest from potential buyers.



In the meantime, officers are working to obtain planning consent for the adjoining land to maximise the development value and economic benefit of the sale for the town.

This report seeks to secure the authority for Officers, in consultation with the Deputy Leader and Cabinet Member for Finance & Assets, to dispose of 6 Saville Close in two separate lots.

**Recommendations: That Cabinet:**

- 1. Delegates to the Director for Finance & Assets, in consultation with the Cabinet Member for Finance & Assets and Deputy Leader, authority to dispose of 6 Saville Close in two lots for best consideration and upon such other terms as are deemed appropriate; and**
- 2. Authorises the Director for Finance & Assets, in consultation with Deputy Leader and Cabinet Member for Finance & Assets and the Director of One Legal, to prepare and conclude the necessary legal documentation to reflect the terms negotiated for 6 Saville Close and the separate garden lot.**

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## **1. Implications**

### **1.1 Financial, Property and Asset implications**

The sale is anticipated to generate a capital receipt for reinvestment into the council's capital programme and regeneration plans, in accordance with the council's Covid recovery strategy. The disposal of the

house is in line with Government guidance also provides capital funding to support the wider regeneration of the town and security of growth and prosperity for the benefit of all residents.

**Signed off by:** Gemma Bell, Director for Finance & Assets and Deputy s.151 Officer,  
[gemma.bell@cheltenham.gov.uk](mailto:gemma.bell@cheltenham.gov.uk)

## 1.2 Legal implications

Due to its statutory status, the Council is very limited as to circumstances in which residential tenancies it grants are “private tenancies”, i.e. outside the provisions of the Housing Act 1985 which grant security of tenure and the Right to Buy.

As the property is currently held within the Housing Revenue Account, the sale will have to be in accordance with the provisions of s32 Housing Act 1985, and require the consent of the Secretary of State. The Secretary of State has issued general consents in respect of certain disposals: consent A3.1.1 permits the freehold disposal of a vacant dwelling house for a consideration equal to its market value.

**Signed off by:** Hayley Simms, Head of Law, One Legal, 01684 272141

## 1.3 Environmental and climate change implications

N/A - Development of the site will be in accordance with current local plan policies relating to sustainable development and the council’s net zero carbon commitments and will generate a capital receipt for future projects which will encompass these commitments.

**Signed off by:** Laura Tapping, Climate Emergency Programme Officer,  
[laura.tapping@cheltenham.gov.uk](mailto:laura.tapping@cheltenham.gov.uk)

## 1.4 Corporate Plan Priorities

This report contributes to the following Corporate Plan Priorities:

- Increasing the number of affordable homes through our £180m housing investment plan
- Ensuring residents, communities and businesses benefit from Cheltenham’s future growth and prosperity
- Being a more modern, efficient and financially sustainable council

## 1.5 Performance management – monitoring and review

Disposal will be undertaken in accordance with the council’s adopted Asset Management Strategy and managed by the Finance & Assets team. Updates will be provided through the Lead Cabinet Member, Budget Scrutiny Working Group and Asset Management Working Group.

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## 2 Reasons for recommendations

- 2.1. The capital receipt from the open market sale of 6 Saville Close is exempt from pooling regulations and can be wholly used to fund expenditure in both the General Fund or Housing Revenue Account.

Whereby the General Fund capital expenditure relates to regeneration, the receipt is not subject to

an adjustment of the Capital Financing Requirement (CFR).

2.2. Regeneration is defined as any project for the carrying out of works or activities on any land where:

- a) The land, or a building on the land, is vacant, unused, under used, ineffectively used, contaminated or derelict and
- b) The works or activities are carried out in order to secure that the land or building will be brought into effective use.

2.3. The sale of 6 Saville Close and its former garden as 2 separate lots will maximise the value of a surplus HRA property and deliver a capital receipt for reinvestment into the council's housing and regeneration priorities in line with the Council's Asset Management Strategy.

### **3 Alternative options considered**

3.1 N/A – accords with National Government guidance and the Council's asset management strategy.

### **4 Consultation and feedback**

4.1 The Asset Management Working Group have been notified of the status of the disposal.

### **5 Key risks**

5.1 See Appendix 1

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#### **Report author:**

Pete Woodley MRICS, Principal Surveyor – Asset Management, Projects & Development,  
peter.woodley@cheltenham.gov.uk

#### **Appendices:**

- i. Risk Assessment

#### **Background information:**

1. COVID-19 Recovery Revised Budget 2020/21 – Cabinet 10 November 2020/Council 16 November 2020

**Appendix 1: Risk Assessment**

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
N/A	The property and adjoining land may not attract sufficient interest to complete the sale, resulting in a shortfall in the generation of capital receipts for reinvestment.	Gemma Bell, Director of Finance & Assets	4	2	8	Accept	Market the property and adjoining land with an agent.	Peter Woodley, Principal Estates Surveyor	September 2023