

Portfolio Holder for Highways, Recycling and Assets



County Hall
Llandrindod Wells
Powys
LD1 5LG
20 September 2019

For further information please contact

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NOTICE OF INTENDED PORTFOLIO HOLDER DELEGATED DECISION

The Portfolio Holder has received the following report for a decision to be taken under delegated authority. The decision will be taken on **26 September 2019** (i.e. 3 clear days after the date of this note). The decision will be published on the Council's website but will not be implemented until 5 clear days after the date of publication of the decision) to comply with the call-in process set out in Rule 7.36 of the Constitution.

1.	SALE BY PUBLIC AUCTION OF SURPLUS PROPERTIES
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CYNGOR SIR POWYS COUNTY COUNCIL
PORTFOLIO HOLDER DELEGATED DECISION
by
COUNTY COUNCILLOR PHYL DAVIES
(PORTFOLIO HOLDER FOR HIGHWAYS, RECYCLING AND ASSETS)
September 2019

REPORT AUTHOR: David Pritchard, Valuer

SUBJECT: Sale by Public Auction of Surplus Properties

REPORT FOR: Decision

1. Summary

- 1.1 Following the success of the collective property auction in March on this year, it is proposed to hold a further auction on 31 October 2019. The Corporate Asset Policy has been followed and consideration has been given to the most appropriate mechanism of marketing and disposing of a number of property assets, many of which require modernisation and improvement.
- 1.2 Due to the nature of these properties, it is considered that sale by auction is the most appropriate method of disposal, also providing the best opportunity to ensure that capital receipts are received before the end of the current financial year to help meet the Council's capital income targets.
- 1.3 The List of proposed auction Lots and confidential minimum reserve prices below which it is recommended the properties will not be sold are also provided at Confidential Appendix 1.

2. Proposal

- 2.1 It is proposed to market the assets listed in Appendix 1 in a collective Public Auction and terms have been sought from several local Agents and on this occasion, Brightwells Limited (Brightwells) have provided the best commercial terms.
- 2.2 It is further proposed that delegated power should be given to the Portfolio Holder for Highways, Recycling and Assets to agree final reserve prices (which must be no lower than the minimum price as stated in Appendix1) not more than 3 working days prior to the appointed Agent's confirmed auction date.
- 2.4 In requesting the delegated power referred to above, the selected agent will be required to provide Officers with a comprehensive

summary no less than 7 working days in advance of the confirmed auction date detailing (for each property):-

- 2.4.1 the number of interested parties,
- 2.4.2 the number of viewings undertaken,
- 2.4.3 the number of legal packs requested / downloaded,
- 2.4.4 their proposals for the reserve price.

3. Options Considered / Available

- 3.1 Option 1: Enter the assets listed in Appendix 1 in a collective Public Auction which it is anticipated will generate a timely and valuable capital receipt for inclusion in the Council's future capital projects.
- 3.2 Option 2: Offer the assets for sale via Private Treaty. This is not the preferred option, whilst the majority (if not all) of the Lots are likely to prove problematical to sell via private treaty.

4. Preferred Choice and Reasons

- 4.1 Officers' preferred option is Option 1 above, which will allow these assets to be marketed and hopefully sold, earning the Council a significant capital receipt within the current financial year.

5. Impact Assessment

- 5.1 Is an impact assessment required? No
- 5.2 If yes is it attached? N/A

6. Corporate Improvement Plan

- 6.1 The proposal will support the financial requirements of the Corporate Improvement Plan with regards to the Financial Strategy. The combined sales of these properties will remove maintenance liabilities for both the Strategic Property team and HRA – thereby supporting the goal of achieving a balanced revenue budget - and providing capital receipts for the General Fund and HRA.
- 6.2 The sale of these properties also provides opportunities for developers to create refurbished homes for either owner occupation or rented accommodation, and also opportunities for investors to support economic growth of the County's business community whether already established in an area or newly created, thereby supporting both the Council's "Economic" and "Residents and Communities priorities."

7. Local Member(s)

7.1 Due to the geographical spread of the properties covered in this report, comments have been invited from each of the following local members:-

Councillor Gwilym Williams (1 Hill Cottage Howey) I am supportive of the suggested sale, noting that the house requires renovation whilst the site has potential.

Councillor Jon Williams (Llandrindod Toilets by Town Hall) Thank you for the information about the old toilet block. I would agree something needs to be done with it, as it's looking shabby now. I understand the council would like to sell it, however I feel it could be a huge benefit for use as a community resource/hall. I know of several groups within Llandrindod that would be interested. Is there an option for them to put in a CAT for it,

Councillor Phyl Davies (Staylitttle): I support the sale of this property in auction.

Councillor Joy Jones: (27 Old Kerry Road Newtown) I have no problem with this house being sold off as it has stood empty for a very long time and it would cost a tremendous amount of money to bring up to standard or redevelop.

It will be good to see the properties being used again, as these are properties that raise questions from the public from time to time as to why the council are leaving them stand empty.

Councillor David Thomas (Land at Coelbren) I have no objection to this piece of land being offered for sale by auction

Councillor Aled Davies (Hafodty Llansilin) More than happy for it to be put on the market

Councillor James Gibson- Watt (land at Cwmbach Nr Glasbury) Thank you for the notification

Councillor Jeremy Pugh (Builth Library) has been notified of the Auction.

8. Other Front Line Services

Does the recommendation impact on other services run by the Council or on behalf of the Council? No

If so please provide their comments: N/A

9. **Communications**

Have Communications seen a copy of this report? Yes

Communications comment; The report is of public interest and requires use of news release and appropriate social media to publicise the recommendation/decision.

10. **Support Services (Legal, Finance, Corporate Property, HR, ICT, Business Services)**

10.1 Legal; Professional Lead supports the proposal for disposal (as provided for in the Corporate Asset Policy) and confirms that Legal services will provide the necessary support to effect any eventual sales at auction.

10.2 The Capital and Financial Planning Accountant supports the disposal of the surplus assets by auction to assist with the financing of the council's capital programme in future years.

The Finance Manager Environment and Resources notes the contents of the report any property that is declared surplus tends to deteriorate and the costs for maintenance tend to increase, there may also be the need to incur revenue costs in order to secure the property from vandalism and other anti-social behaviour, if it is left vacant for prolonged period. The revenue costs associated with the cost of the auction will be funded from within the current revenue budget of the service.

10.3 Corporate Property: Supports the proposal in order to realise capital receipts for these properties.

10.4 HR (if appropriate)

10.5 ICT (if appropriate)

11. **Scrutiny**

Has this report been scrutinised? No

12. **Data Protection**

If the proposal involves the processing of personal data then the Data Protection Officer must be consulted and their comments set out below.

N/A

13. Statutory Officers

- 13.1 The Deputy Monitoring Officer notes the content of the report and recommendations and makes no further comment
- 13.2 The Head of Finance (Section 151 Officer) notes the comments of the Capital and Financial Planning Accountant and the Finance Manager Environment and Resources.

14. Members' Interests

The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If the Portfolio Holder has an interest, he/she should declare it, complete the relevant notification for and refer the matter to Cabinet for decision.

15. Future Status of the Report

Members are invited to consider the future status of this report and whether it can be made available to the press and public either immediately following the meeting or at some specified point in the future.

Recommendation:	Reason for Recommendation:
<ul style="list-style-type: none">1. To approve the disposal of the properties identified in Appendix 1 by public auction.2. To grant delegated authority to the Portfolio Holder for Highways, Recycling and Assets to approve the final reserve prices (<u>which must be no lower than the minimum price as stated in Appendix 1</u>) not more than 3 working days prior to the Agent's auction date.3. Appendix 1 should remain confidential until the sale of all properties named in that Schedule has been concluded	<p>To remove maintenance liabilities for these surplus properties and generate potentially significant capital receipts before the end of the current financial year.</p> <p>To enable the auction to proceed in a timely manner after receipt of the Agent's marketing summary for each property.</p> <p>To protect the confidential nature of the information</p>

Relevant Policy (ies):	Corporate Asset Policy		
Within Policy:	Y	Within Budget:	Y

Relevant Local Member(s):	Councillor Aled Davies Councillor Gwilym Williams Councillor Phyl Davies Councillor Joy Jones Councillor David Thomas Councillor Jon Williams Councillor Jeremy Pugh Councillor James Gibson Watt
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Person(s) To Implement Decision:	David Pritchard, Valuer
Date By When Decision To Be Implemented:	asap

Is a review of the impact of the decision required?	N
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Background Papers used to prepare Report:

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By virtue of paragraph(s) 14 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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