

Asset Disposals Business Case

Name of Asset:

Former Buffer Bear Site, Matthews Gardens New Addington



WARD: New Addington South

**Ward Councilors contacted: Oliver Lewis (Lab)
Louisa Woodley (Lab)**

Cabinet Member Approval and Date: 24 January 2022

CMT Approval and Date: 8 February 2022

Proposed timing of the disposal:

- It is proposed that this site should be marketed and therefore disposal will be delayed whilst agents are secured following a procurement exercise. It is therefore not expected that a disposal will take place until the end of Q2/Q3

Asset Declared Surplus:

The asset has previously been declared surplus and approved for general disposal as part of a place DLT, CMT and included within the cabinet paper.

Current Book value: £140,000

Any Allocated Debt against Asset (amount): No

Any Planning Issues/Local Plan designation:

The current use will be classified as a community use and therefore any change of use could prove difficult as it will be necessary to demonstrate that there is no viable community. The property has not been used for about 10 years and was demolished in 2019 as there was no viable community options. The spatial

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planning team have provided a formal report outlining policy requirements and potential development options to assist with the marketing process.

Access to the site needs to be improved as currently there is only pedestrian access but this can be achieved through utilisation of Council owned land

Method of disposal:

- Formal Tender Informal or Negotiated Tender
 Public Auction Private Treaty Sale

Impact[s] / risks of the disposal – financial, reputational, political, operational, etc.

No foreseen risk in disposing of this asset. The previous use as a nursery ceased many years ago and due to the poor state of the building it was demolished in 2019.

Risk that planning consent could be delayed for anything other than community use due to the planning requirements. It is therefore recommended that in this case a conditional disposal is considered appropriate to secure the best price for the site. Following the demolition of the building there are no holding costs associated with the site.

Evidence of an independent valuation to show that best consideration is guaranteed?

Gen 2 have provided a Red Book valuation of £ 190,000 – this was on the basis of the restricted pedestrian only access and without planning

A market assessment by a suitably qualified agent?

SHW have been instructed to sell the site as part of the wider portfolio instruction. They have actively marketed it for 3-4 months but have received limited interest due to the location and uncertainties over the site potential. Best bids have now been received

Disposal options:

Suggested that sold by informal tender on both a conditional and unconditional basis. Sale at auction is not likely to secure the best value due to the planning uncertainties regarding this site.

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Financial case:

Revenue Savings:

Minimal expenditure on this site at the moment:

Rates £nil as cleared site

FM costs £nil

Disposal will not require any relocation or capital/revenue expenditure other than marketing costs which can be capitalised against sale proceeds for up to 4% of capital receipt

Anticipated capital receipt: £500,000 (conditional on planning)

Actual Offer Received £750,000 (unconditional plus overage)

Less marketing/legal costs £ 12,500

Cost of sales and any budgetary approval required:

£12,500

NB Assumed costs at 4% of sales receipt for legal and agents fees can be capitalised against sales receipt as “reasonable” costs – on smaller sales this will be exceeded due to minimum fees

Confirmation of deliverability of sale – where required. (For example, if staff, public or other consultations are required)

No consultations required, currently vacant site so no anticipated issues with disposal. The site currently has poor access and therefore it will be necessary to grant rights over Council owned land to allow vehicular access. This will remove two parking bays from an adjoining development but Housing have already agreed to this in principle as the parking is not heavily used.