



**CABINET**

**11 JUNE 2013**

**DIRECTOR OF FINANCE: MATT BOWMER**

**CABINET MEMBER WITH RESPONSIBILITY FOR FINANCE, PERFORMANCE &  
LGSS: BILL PARKER**

<b>Subject:</b>	Disposal of Abbott House, Mason House and Fletton House, Glapthorn Road, Oundle
<b>Recommendations:</b>	<p>That Cabinet:</p> <ol style="list-style-type: none"> <li>1. To declare Abbott House, Mason House and Fletton House surplus to the requirements of the Council.</li> <li>2. To approve the disposal of Abbott House and Mason House on the open market on terms to be agreed by the Director of Finance</li> <li>3. To approve the transfer of the freehold interest in Fletton House to Oundle Town Council at a nominal consideration.</li> </ol>

**1. Purpose of Report**

To enable Cabinet to have sufficient information to determine the recommendations above.

**2. Relevant Priority Outcomes**

As an organisation we have developed a set of principles which define what we are here for – our core purposes:

- We are here to help you to help yourself
- We are here to help you when you can't help yourself
- We want you to see us as a trusted advocate

Our perspectives and priority outcomes show how we will go about achieving our vision: "Proud to make Northamptonshire a great place to live and work"

The content of this report supports the delivery of the following corporate outcomes:

<b>Perspective</b>	<b>Outcome</b>
<b>Customers &amp; Community</b> - to achieve our vision, what will our customers see?	<ul style="list-style-type: none"> <li>• Active, safe and sustainable communities</li> </ul>
<b>Process</b> - to satisfy our customers, what processes must we excel at?	<ul style="list-style-type: none"> <li>• Building social capital &amp; community wellbeing</li> <li>• Devolving power &amp; barrier removal</li> <li>• Shaping our growing county</li> </ul>

<p><b>Finance</b> – to finance our vision, what must we do efficiently, effectively and economically?</p>	<ul style="list-style-type: none"> <li>• Maximised income and new funding mechanisms</li> <li>• Exploited fixed assets</li> <li>• Sustainable social resourcing</li> </ul>
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### 3. Background

- 3.1 Several acres of land at Glapthorn Road in Oundle including the sites of Abbott House, Mason House and Fletton House was acquired by a predecessor of the County Council in 1899. The remaining land was developed to provide an elderly persons home, library, health centre and ambulance, fire and police stations. The three properties are outlined in blue on the plan marked Appendix 1.
- 3.2 Over time, properties have been transferred or sold and the site fragmented leaving Abbott, Mason and Fletton House vacated or partly utilised and without a defined future use due to their condition and the costs of refurbishment to meet current standards.
- 3.3 **Abbott House** was previously a County operated elderly people’s home (EPH) which was transferred to Shaw Healthcare in 2004. Following construction of a new facility on land to the rear of the site, Shaw returned the old EPH to the Council. It is now obsolete and derelict and it is proposed to dispose of it on the open market, most likely for residential redevelopment. The sale will reserve road access to Oundle Primary School playing field which is not currently available.

**Mason House** was let to Kettering Health Authority in June 1984 and has recently been occupied by Rockingham Forest Health as a centre for disabilities and mental health issues but no lease was signed and no rent paid. The most recent occupier, Northamptonshire Healthcare Foundation Trust, returned it to the County early this year after a period in which it has been unused. It is in relatively good order and it is proposed to dispose of it on the open market most likely for residential conversion.

**Fletton House** has been under used for many years with the only full time occupant being a pre-school and a national charity one evening per week. It is a large building and requires a substantial refurbishment estimated to be in the region of £400,000-£600,000.

East Northants District Council’s planning policy (adopted July 2011) restricts the use of the ground floor to community uses and seeks to secure the longer term future of the building. The policy also states that should redevelopment of Fletton House be considered it will require replacement of the community use floor space in adjacent Council properties.

Oundle Town Council has expressed its intent to take on the property and preserve Fletton’s future use as a community hub. Given the significant capital required to refurbish Fletton which will be the responsibility of Oundle Town Council and the planning restrictions on its use it is proposed to transfer the freehold interest at nominal consideration subject to restrictions preventing redevelopment and protection for community uses.

For its part, Oundle Town Council has undertaken a detailed “due diligence” exercise to confirm that it will be capable of meeting the refurbishment and running costs. It intends to fund the refurbishment from capital reserves and from the sale of other properties in its ownership. Running costs have been estimated on best and worst case occupancy levels and in the event of a shortfall it is capable of being subsidised from Oundle Town Council’s other rental income.

3.4 Of the remaining property in the vicinity in Council/public ownership or providing local services:

**Lamorna:** declared surplus to NCC’s requirements in August 2009 and sold in March 2013

**Library:** including the childrens centre remains in situ

**Police Station:** owned by the Police and remains in situ although is subject to a forthcoming review. Relocation to the Fletton hub is an option.

**Fire Station:** no anticipated change.

**GP Medical Centre:** shares a boundary with Fletton House and is working with Oundle Town Council to alleviate parking issues.

3.5 The Framework for the Disposal of Property forms the policy of the Council and the general assumption in cases where property is declared surplus is that the property is openly marketed to obtain the best consideration reasonably obtainable unless a specific exemption applies. It has been determined that the Council does not have a service requirement for the site after consideration of the service requirements for accommodation in this part of Northamptonshire.

3.6 A Cabinet decision is required as the sites in total, or possibly individually, are expected to sell for in excess of the delegated limit of £500,000.

#### **4. Consultation and Scrutiny**

4.1 There has been internal consultation between the Property Asset Management Division and other divisions regarding the future of the site.

4.2 The Asset Utilisation Strategy aims to maximise the use of assets by ensuring that non-essential assets, particularly strategic land holdings, are disposed of for the maximum capital or community benefit.

4.3 Discussions have been on-going with Oundle Town Council and Members with regard to the area in general under the Vision 2020 programme.

4.4 Opinions and expressions of interest have been encouraged from local interest groups, users of Fletton House, Oundle School, Police and the Medical Centre.

#### **5. Alternative Options Considered**

5.1 The Asset Utilisation Strategy aims to ensure that the Council retains only the property essential to its service delivery and uses these to their maximum potential.

5.2 Holding the properties for future service requirement has been discounted as they are unlikely to be suitable for the type of specialist uses for which a demand could arise

and at present no alternative use can be identified.

5.3 Redevelopment is the only realistic option for **Abbott House** and marketing will identify the most appropriate use and best value. Oundle School have expressed an interest and may wish to consider bidding when it comes to the market. Interest has also been received from assisted living and elderly housing providers.

**Mason House** could be used as offices or for specialised purposes although its layout does not easily meet current standards and requirements. There were no expressions of interest and its value most probably lies in residential conversion.

Redevelopment of **Fletton House** was considered but the planning policy requiring replacement of community use accommodation has an adverse impact on viability. There is also significant local support for its retention as the community hub and clarification of its future may add impetus to re-designing parking and traffic flow in the vicinity.

## 6. Financial Implications

6.1 The sale of the **Abbott House & Mason House** should achieve a capital receipt in excess of £500,000. A strategic planning study was carried out to determine the best use and best value for the site. The conclusion of the study will form the planning brief for inclusion within the disposal of Abbott and Mason Houses and it is probable that the properties will be sold for residential development and residential conversion respectively, subject to gaining planning permission.

6.2 Subject to the planning restriction regarding community use on the ground floor and additional restrictions to be imposed by NCC, the value of **Fletton House** is regarded as negligible once refurbishment costs are deducted.

6.3 The holding costs require further refinement due to changes in occupancy but are in the order of £10k for Abbott House, £10k for Mason House and £30k for Fletton House.

6.4 The cost of obtaining planning permission would be placed onto the purchaser and The County Council's costs for marketing the sites could amount to approximately £15,000 which can be met from the reserve fund and the capital receipt. It is considered that nine months is a realistic period to achieve the properties' best value.

	Current year	Forecast		
	2013-14	2014-15	2015-16	2016-17 & beyond
	£000	£000	£000	£000
<b>Capital Investment</b>				
Costs	25	5		
Funded by	Capital receipt from the sale of Abbott and Mason House.			
<b>On-going costs (revenue)</b>				
Costs - Staffing				
Other	50	20		
Total on-going costs (revenue)	50	20		

Funded by	Property Operational Delivery and Strategic Asset Management budgets
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What benefits will the proposal deliver?	A capital receipt Elimination of revenue costs Availability of brownfield development land reducing the need to develop greenfield sites Re-use of redundant buildings Preserving community use
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## 7. Risk and Business Continuity Management

a) Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
That there is or could be perceived anti-social behaviour on the site during the short term holding of the site for the planning and marketing processes	Suitable security measures will be undertaken until the demolition of one of the buildings is carried out	Amber
Unfavourable attitude of neighbouring residents due to proposed development of the site	The planning process should provide full consultation. There will always be some reaction to potential change.	Amber
The site does not prove suitable for residential development or access cannot be secured <sup>1</sup>	Current advice is that consent should be able to be obtained although the terms of these could reduce the capital receipt	Amber

b) Risk(s) associated with not undertaking the proposal

Risk	Risk Rating
The problems related to the long term holding of a vacant site including costs and the potential for criminal behaviour on vacant property.	Amber
Not complying with the Council's policies and framework	Red

## 8. List of Appendices

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Background Papers:	Property File references E0363a; E0157a & E0158a,
Does the report propose a key decision is taken?	YES
If yes, is the decision in the Forward Plan?	YES
Will further decisions be required? If so,	NO

please outline the timetable here	
Is this report proposing an amendment to the budget and/or policy framework?	NO
Have the financial implications been cleared by the Strategic Finance Manager (SFM)? Have any capital spend implications been cleared by the Capital Investment Board (CIB)	YES Name of SFM: Rosemary Pallot  N/A
Has the report been cleared by the relevant Director?	YES Name of Director: John Kane
Has the relevant Cabinet Member been consulted?	YES Cabinet Member: Cllr Bill Parker
Has the relevant scrutiny committee been consulted?	YES Scrutiny Committee:
Has the report been cleared by Legal Services?	YES Name of solicitor: Duncan Bisatt
	Solicitor's comments:
Have any communications issues been cleared by Communications and Marketing?	YES Name of officer: Annalee Bougourd
Have any property issues been cleared by Property and Asset Management?	YES Name of officer: Matt Bowmer/Quentin Baker
Has an Equalities Impact Assessment been carried out in relation to this report?	YES
Are there any community safety implications?	Suitable security measures will be undertaken during holding the properties prior to disposal. Financial costs through paying for repairs resulting from any vandalism
Are there any environmental implications:	The town planning process should identify and control environmental implications.
Are there any Health & Safety Implications:	Health and Safety requirements during the demolition of Abbott House. On-going safety monitoring during pre-sale vacancy of Mason House and Fletton House
Are there any Human Resources Implications:	NO
Are there any human rights implications:	NO
Constituency Interest:	Councillor Rupert Reichhold, Oundle Division