

CHESHIRE EAST COUNCIL

REPORT TO PORTFOLIO HOLDER – REGENERATION AND ASSETS

Report of: Executive Director of Economic Growth and Prosperity

Subject/Title: Sale of Land at Cypress House, Handforth

Date of Meeting: 14 September 2015

Portfolio Holder: Councillor Don Stockton - Regeneration and Assets
Portfolio Holder

1.0 Report Summary

- 1.1 The purpose of this report is seeking approval to re-market the property known as Cypress House, Handforth, inviting offers on both conditional and unconditional basis.

2.0 Recommendation

- 2.1 To seek approval to re-market the property inviting offers for the site and accept an offer based on the preferred development of the site, Instruct legal services and for them to proceed to legal completion on terms and conditions as agreed by the Assets Manager and Head of Legal Services and Monitoring Officer.

3.0 Reasons for Recommendation

- 3.1 A cabinet decision was made in 14th March 2011 to dispose of a number of properties for affordable housing. Cypress House was one of the sites earmarked for disposal for affordable housing.
- 3.2 A sale was agreed with a housing association in 2013; however following further due diligence by them the scheme was confirmed for them as unviable therefore the purchaser was unable to proceed at the agreed level of offer.
- 3.3 The property is included within the Council's disposals programme and the sale of the property will make a contribution towards the current 3 year disposals target.
- 3.4 Sale of this site will relieve the Council of unnecessary holding costs which are currently circa £26,000 per annum.

4.0 Wards Affected

- 4.1 Handforth

5.0 Local Ward Members

- 5.1 Cllr Dennis Mahon
Cllr Bary Burkhill

6.0 Policy Implications

- 6.1 There are no perceived policy implications

7.0 Implications for Rural Communities

- 7.1 There are no implications for rural communities.

8.0 Financial Implications

- 8.1 The Council will achieve a capital receipt from the sale of Cypress House.
- 8.2 Sale of the site will relieve the Council of its annual holding costs once a sale is completed.

9.0 Legal Implications

- 9.1 Disposals will be subject to means of accountability to include best value being obtained. State Aid considerations may fall to be considered, and in some transactions the complexity may involve procurement legislation, application of the contract procedure rules, and for due diligence information/material, depending on each particular set of circumstances. When the method of disposal has been determined and terms of sale agreed specific tailored advice will be given on how to manage and achieve the disposal within legal constraints.

State Aid is any advantage granted by public authorities through state resources on a selective basis to any organisations that could potentially distort competition and trade in the European Union (EU).

10.0 Risk Management

- 10.1 The risk management issues associated with the proposed disposal are as follows:-
- The end use may not be a preferred use to the local residents i.e. high density housing scheme; retail; another care home facility.
 - An offer that is subject to planning may fail to complete / delay sale or the end receipt may be reduced if a purchasers due diligence leads to unforeseen abnormalities.

- If likely to accept an unconditional offer this may mean accepting a lower headline sum than a subject to planning offer.
- The Council may receive a lower offer than the previous sale figure agreed.

11.0 Background

- 11.1 The site extends to approximately 0.77 acres (0.315 ha) and provides a two storey former care home facility with associated car parking areas and landscaping.

The former care home measures approximately 16,002 sq ft (1,483 sq m) in total and provides 31 bedrooms, most of which provide en-suite WC facilities, plus a kitchen, several living areas/sitting rooms and staff offices. The buildings are in a semi-dilapidated state having been left vacant for a number of years.

The site is predominantly level throughout and approximately 26% building covered. The north western section of the site provides a tarmac parking area with delineated spaces for approximately 10-15 vehicles.

The property may be suitable for conversion or commercial/residential redevelopment, subject to obtaining the necessary planning consent.

The site has the benefit of planning for a development of 13 affordable housing units.

The preferred strategy for marketing is to put the property to the market, inviting offers. Any such offers may be conditional and unconditional with the highest value resulting from an unrestricted sale for residential development.

It is proposed that all offers be assessed using a decision making matrix according to the following criteria:

- Price Offered
- Proof of Funding
- Timescales to Complete
- Track Record of the Offeror

12.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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