

Report of:	Head of Housing and Waste Management
Contact Officer:	Rhiannon Holland
Telephone No:	01543 464526
Portfolio Leader:	Housing
Key Decision:	No
Report Track:	Cabinet: 18/12/14

**CABINET
18 DECEMBER 2014
2 CALVING HILL, CANNOCK**

1 Purpose of Report

- 1.1 To seek Cabinet authority for a disposal of the freehold interest in 2 Calving Hill, Cannock on the open market.

2 Recommendations

- 2.1 That Cabinet authorise an open market disposal of the freehold interest in 2 Calving Hill, Cannock on terms and conditions to be agreed by the Head of Economic Development.

3 Key Issues and Reasons for Recommendation

- 3.1 2 Calving Hill, Cannock is a Council owned single storey retail unit located in a residential area just outside of Cannock Town Centre. The Council has previously leased the property to commercial tenants with the rental income paid to the HRA account.
- 3.2 On 15 October 1998 the Council's Policy Committee resolved to dispose of the freehold interest in 2 Calving Hill, Cannock to the existing tenants. This decision was part of a wider policy to dispose of isolated shop units within the District. The Council was however unable to agree terms with the then tenants of 2 Calving Hill and the property remained within the ownership of the Council.
- 3.3 The most recent lease of the property expired on 21 October 2014 and the tenant decided not to renew her lease. The Council is now in vacant possession of the property.

- 3.4 The shop is an isolated unit in a residential area and is too far from Cannock Town Centre for a re-letting to offer real benefit in terms of Town Centre regeneration. A disposal of the freehold interest would generate a capital receipt that could be used to support the Council's HRA Capital Programme.
- 3.5 The principle of a disposal of the freehold interest is already established by the Policy Committee's previous decision on 15 October 1998.

4 Relationship to Corporate Priorities

- 4.1 In accordance with the Council's Asset Management and Energy Management Strategy 2013-18 the Council will use its non-operational land/property assets to generate capital receipts and where possible support the growth and regeneration plans for the District. This strategy supports the Council's Corporate Priority of Prosperity.

5 Report Detail

- 5.1 2 Calving Hill, Cannock is a Council owned single storey retail unit located in a residential area just outside of Cannock Town Centre. The property occupies a site amounting to 293 square metres or thereabouts and is shown hatched on plan no. 4229 attached at Appendix 1.
- 5.2 The property has been let by the Council and occupied as a hairdressing salon for in excess of 20 years. The most recent lease expired on 21st October 2014 and the tenant decided not to renew her lease. She had not been trading from the unit for some months prior to the lease termination date.
- 5.3 The Council has the option of re-letting the property. There has historically been some interest from parties wishing to take a lease of the unit to recommence its former use as a hairdressing salon. The likely rental income achievable from a new lease of the property for such a use, or an alternative A1 use, is in the region of £3,000 per annum. Any interest for a lease of the property is likely to be tertiary and potentially short term with a likelihood of increased letting voids going forward.
- 5.4 Planning Services support the principle of residential development on the site, subject to further consideration, as it comprises previously developed land, in a predominantly residential area within walking distance of Cannock Town Centre. Whilst consideration has been given to developing the site with Council housing this is restricted by the size of the site. A sale of the freehold interest for residential redevelopment purposes will achieve a capital receipt.

6 Implications

6.1 Financial

Any sale proceeds will be a Capital Receipt for the HRA which will be available to fund future Approved Schemes within the HRA Capital Programme.

Any costs associated from the disposal will need to be contained within existing HRA approved budgets.

6.2 Legal

Section 123 Local Government Act 1972 prevents the disposal of Council land, otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained (except with the consent of the Secretary of State).

6.3 Human Resources

None

6.4 Section 17 (Crime Prevention)

None

6.5 Human Rights Act

None

6.6 Data Protection

None

6.7 Risk Management

None

6.8 Equality & Diversity

None

6.9 Best Value

None

7 Appendices to the Report

Previous Consideration

Policy Committee

15 October 1998

Background Papers



2 Calving Hill Cannock

ITEM NO. 10.5



PLAN NO:4229

SCALE: 1:1250

DATE:21.11.2014

AREA: 293 SQM

