

## OFFICER DECISION RECORD SHEET

<b>Name of decision maker:</b>	<b>James Deane</b>
<b>Officer title:</b>	<b>Corporate Director (Finance and Operations)</b>
<b>Date of Decision:</b>	

**Title of Decision:**  
Sale of garages at Juno Road

**Part 1 or Part 2 decision:** Part I  
**Reason, if Part 2:**

**Decision made and reasons:**

**Decision: To dispose of the garages at Juno Road for redevelopment for the sum of £860,000**

Reason: The disposal of garages was agreed by Cabinet in September 2014. The marketing of the site has been undertaken by Lambert Smith Hampton, Chartered Surveyors, acting as our agents, who have placed the garages on the open market following an advertising campaign. Seven bids were received and the highest unconditional offer selected.

The sale has the condition that the site will be redeveloped within 24 months for residential purposes.

**Reports considered:** The strategy is in conformity with the Cabinet Decision of September 2014 on the disposal of 100 units within the garage portfolio.

On 16 September 2014 CA/113/14 Cabinet approved delegation of project matters including site disposal to the Corporate Director (Finance and Operations) in consultation with the Portfolio Holder finance and Resources).

**Officers/Councillors/Ward Councillors/Stakeholders Consulted:**  
Cllr Graeme Elliot, Portfolio Holder for Finance and Resources

**Deputy Monitoring Officer comments:**

The site has been subject to an open market sale process to ensure that the Council receives the best consideration reasonably obtainable for the land.

The purchaser has requested an indemnity from the Council relating to a restrictive covenant on the title (which is a large title covering both dwellinghouse land and this garage site). The Council was not able to obtain insurance against the risk without there being planning permission already in place. Leading Counsel's Opinion was, therefore, taken on this matter who confirmed that in his opinion, the Garage Land is not covered by the enforceable scheme of covenants that apply in relation to dwellinghouse land. We would, therefore, be able to give the indemnity.

Consideration has been given to ensuring the Council would not be giving an open-

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ended indemnity and accordingly the contract drafted so as to require the purchaser to use all reasonable endeavours to obtain insurance for the risk after grant of planning permission, with the Council to cover the costs (provided the premium is reasonable).

The risk to the Council is considered low. Financial exposure would be below the sale value of the land in any event.

### **Deputy Chief Financial Officer comments:**

This decision secures best consideration and will avoid any potential maintenance liability whilst securing maximum receipt.

**Financial Implications:** In September 2014, Cabinet approved the disposal of selected DBC owned garage sites with a view to increasing the supply of housing across the borough, minimising the future maintenance liability, and driving more efficient use of its stock. Since that date, 97 sites have been reviewed further and an initial 17 selected for disposal over the next 18 months.

The anticipated income from these sales is built into the Capital Programme as follows:

2016/17	£2m
2017/18	£3m
2018/19	£1m

**Risk:** The risk of not selling is an increase in the maintenance budget for the garages and a shortfall in receipts affecting the Medium Term Financial Strategy.

**Value for Money:** The property has been fully exposed to the market and the receipt of £860,000 is the highest value obtainable for the site.

**Officer's Signature:**

**Date:**

**Details of any interests declared and any dispensations given by the Standards Committee:**

### **For Member Support Officer use only**

Date Decision Record Sheet received from Officer:

Date Decision Published:

Decision No:

## **BACKGROUND**

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In September 2014, Cabinet approved the disposal of selected DBC owned garage sites with a view to increasing the supply of housing across the borough, minimising the future maintenance liability, and driving more efficient use of its stock. Since that date, 97 sites have been reviewed further and an initial 17 selected for disposal over the next 18 months.

The garage site at Juno Road was the third site selected for sale. Marketing was via press adverts, internet portals and direct marketing to a selected list of developers and builders.

Bids received were a range of unconditional offers and offers conditional on gaining planning permission for selected developments.

The proposed purchaser has been secured via an open marketing route and via best and final bids via Lambert Smith Hampton.

A range of covenants are registered on the land title in favour of CNT. These include covenants:-

1. Not to interfere with any common service construction or amenity benefitting the property and any other property within the area.
2. Not to build any buildings (or extensions) which may be detrimental to the value of the amenity of the neighbouring or adjacent land or the harmony of design
3. Not to allow the property, by reason of disrepair, to become detrimental to the value of the amenity of adjoining property
4. Not to do or suffer to be done anything which may become an annoyance damage or disturbance to owners or tenants of adjoining property
5. Not to use the property for any purpose other than as a private residence in single family occupation
6. Not to use the property for the parking of any trade vehicle
7. Not to use the property for the display of adverts (other than eg for sale sign)

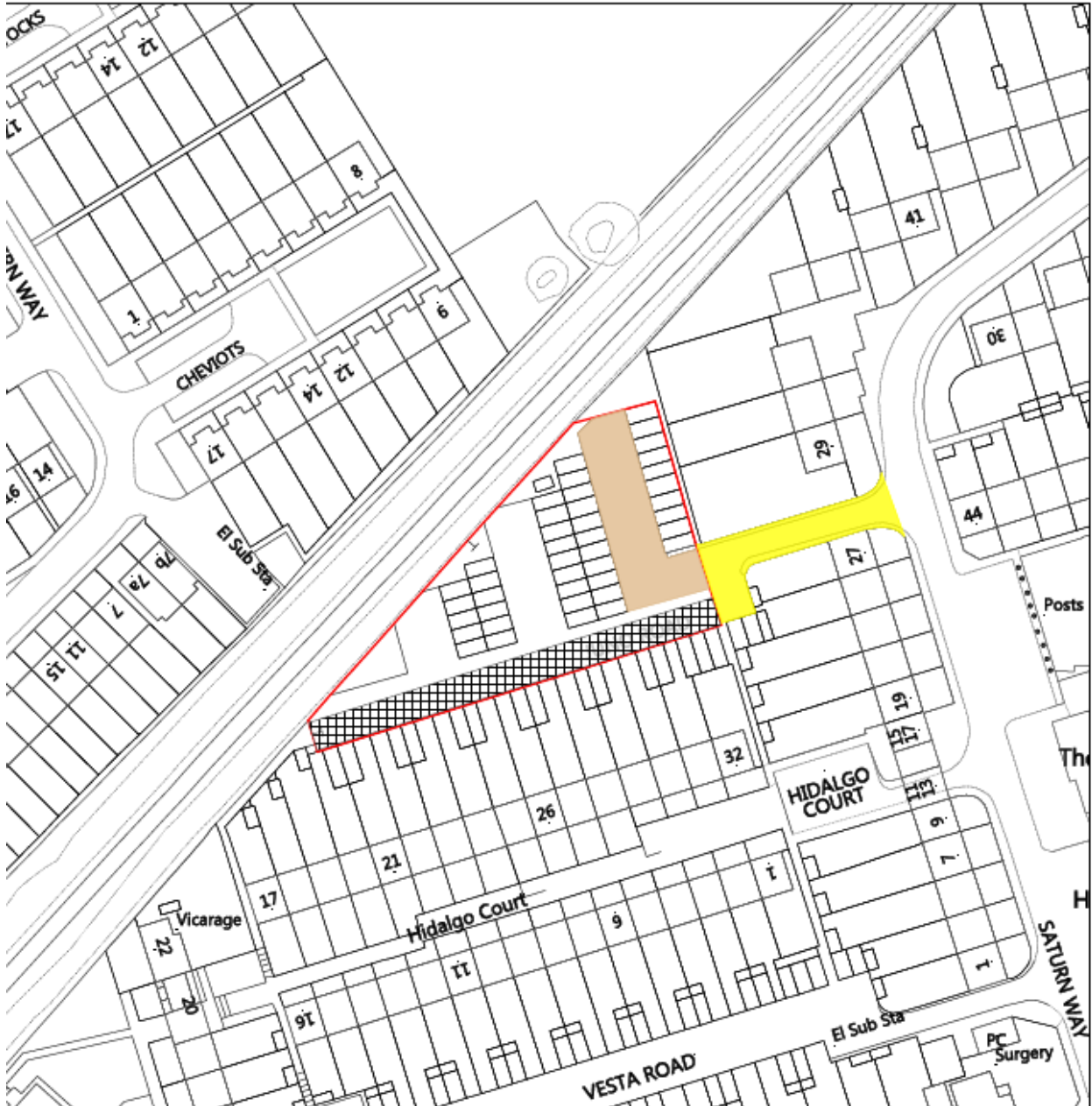
We have taken Counsel's Opinion on these covenants and we have been informed that the benefit of these covenants have passed from CNT to us as landowner rather than the HCA.

The buyer has requested that we offer an indemnity against the enforcement of these covenants by a third party. Based on Counsel's opinion our Legal Department are content that we can offer this. We propose to offer the indemnity until planning permission for a development is achieved at which point the purchaser would be required to use best endeavours to obtain an insurance policy to cover both DBC and the purchaser against any risk of breach of covenant.

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## Site Plan




The site area for sale is within the red line on the plan below.



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Valuation & Estates  
Dacorum Borough Council  
Civic Centre  
Marlowes  
Hemel Hempstead  
Herts  
HP1 1HH

### Comments

-  Right of way for garage users at Hidalgo Court
-  Right of way for 35 Saturn Way
-  Right of way for the Purchaser

Scale: 1:1000  
Date: 06/07/2016

