

Meeting: Cabinet

Date: 24th March 2020

Wards Affected: Roundham with Hyde

Report Title: Disposal of 51 & 53, Totnes Road, Paignton TQ4 5LE.

Is the decision a key decision? Yes

When does the decision need to be implemented? As soon as possible.

Cabinet Member Contact Details: Councillor Swithin Long, Cabinet Member for Economic Regeneration, Tourism & Housing, 07419 111618, Swithin.Long@torbay.gov.uk

Supporting Officer Contact Details: Paul Palmer, TDA Head of Assets & Facilities Management, 01803 207920, paul.palmer@tda.uk.net

Supporting Director Contact Details: Kevin Mowat, Director of Place, Torbay Council.

1. Proposal and Introduction

- 1.1 Both properties, known as Scotleigh House, 51 Totnes Road and Halswell House, 53 Totnes Road, Paignton TQ4 5LE have both become vacant in the last 6 months. Both assets are now void and considered surplus to the Council's operational requirement. Both properties are adjacent to each other and form a total site measuring c.1, 475 sq. m. A site location plan of both properties can be found at Appendix 1
- 1.2 In line with policy and to reduce operational and holding costs the Council should now look to dispose of both assets thereby removing any ongoing liabilities. The Council now needs to consider how it wishes to dispose of the assets either directly on the open market seeking to maximise the capital receipt or by way of a transfer to TorVista Homes Ltd at a nil receipt for the delivery of affordable housing which the Council would receive nomination rights on 100% of the properties in perpetuity.

2. Reason for Proposal and associated financial commitments

- 2.1 Whilst the condition of both buildings is fair given the previous uses, the buildings are now noticeably deteriorating since being left vacant and not in use. As both buildings remain in the ownership of Torbay Council the ongoing maintenance and repair liability remains with the Council. The Council has no operational requirement for either property. The assets do have site constraints notably Halswell House is a Grade II Listed building and the site sits within the Old Paignton Conservation Area. Whilst these constraints do have an impact on future use and disposal value this should not be considered as prohibitive. However,

before a decision is ultimately taken on the route of disposal further feasibility work on the re-development of the site should be undertaken.

3. Recommendation(s) / Proposed Decision

That the Cabinet adopt one of the following recommendations:

- 3.1 That a recommendation is made to Council that the land edged red at Appendix 1 be transferred to TorVista Homes for the delivery of housing at nil value in return for nomination rights under section 25 of the Local Government Act 1988. In the event that the delivery of housing development is undeliverable or not viable due to planning constraints then the land would then be disposed of at full open market value with the Council retaining all receipts generated; OR
- 3.2 That the land edged red at Appendix 1 be disposed of at full market value, as is and on the open market.

Appendices

Appendix 1: Site Plan – EM 3412

Section 1: Background Information

1. What is the proposal / issue?

It is proposed that the Council dispose of the freehold interest 51 Totnes Road (Gross Internal Area 257sq m) and 53 Totnes Road (Gross Internal Area 361sq m), Paignton TQ4 5LE. Total site area measuring 1, 475 sq. m. There are buildings and site constraints, notably Halswell House is a Grade II Listed building and the site sits within the Old Paignton Conservation Area. The impact of these constraints need to be considered in relation to the feasibility of a future redevelopment.

This site on disposal will nevertheless either provide a capital receipt to help supplement the Council's capital programme if disposed on the open market. Or, if transferred to TorVista Homes Ltd to be redeveloped, will help deliver affordable housing and meet the objectives identified in Torbay Council's Housing Strategy.

Both methods of disposal will also reduce the Council's liability of further maintenance spending and other on-going holding costs.

2. What is the current situation?

Both assets are located on Totnes Road, Paignton a mixed residential and commercial area. The site falls within the Old Paignton Conservation Area.

Scotleigh House, 51 Totnes Road a detached former Community Mental Health Services facility previously occupied by Step One Daybreak Learning Community has been vacant since September 2019. The property has accommodation over two floors and benefits from vehicular access from Totnes Road with a reasonable parking / turning area and large garden to the rear.

Halswell House, 53 Totnes Road a detached two storey Grade II Listed early Victorian villa currently configured for the purpose required by the most recent occupier, Halswell House Family Centre. The property was vacated in October 2019. The building sits within mature gardens and grounds although it does not have the benefit of vehicular access.

The condition surveys on both properties identify a total of £105k of disrepair and as a consequence would require significant amount of investment to bring them up to standard that would result in re-occupation by a service area. Currently, both assets are considered surplus to the Council's operational requirement and given the identified levels of disrepair and on-going holding costs it is necessary for the Council to dispose of the assets as soon as possible.

The Council needs to consider how it wishes to dispose of the site. It can be sold on the open market, either at auction or via private treaty, notwithstanding the site constraints identified, and the assets will realise a

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| | <p>capital receipt. Interest would most likely be generated from owner – occupiers and residential developers. Planning consent for a change of use to residential was obtained for Halswell House in 2009 and a residential use was obtained for Scotleigh House under Permitted Development Rights in 2006. Both these previous planning consents would provide comfort to a future purchase, based on the assumption of refurbishment of the existing buildings.</p> <p>Alternatively the Council may choose to dispose of the assets to TorVista Homes Ltd to be redeveloped for the purpose of augmenting the supply of affordable housing sites. This would stimulate the delivery of affordable housing and meet the objectives identified in Torbay Council’s Housing Strategy. A transfer to TorVista Homes Ltd would be at a nil receipt for which the Council would receive nomination rights on 100% of the properties in perpetuity.</p> <p>Before a clear indication on the potential outputs and number of homes that could be delivered further feasibility work is needed to be undertaken on the viability of any proposed redevelopment. The feasibility work would need to consider the constraints of the Grade II Listing on Halswell House and the impact of the Old Paignton Conservation Area on the site as a whole.</p> |
| <p>3.</p> | <p>What options have been considered?</p> <ol style="list-style-type: none"> 1. Retain the properties and attempt to re-let within the Council’s commercial let estate. Significant expenditure would be required to bring the properties up to a sufficient standard. In the current condition the Council would need to offer rental concessions to secure tenants. Little or no evidence exists suggesting demand exists for these assets. 2. Sell the assets either independently or collectively as soon as possible at full market value, maximising the capital receipt at auction or by way of private treaty. The Council’s Corporate Asset Management Plan 2015 to 2019 makes specific that the Council will ‘always seek to maximise the full market receipt for their assets whether by way of freehold disposal or leasehold interest’. The disposal of the asset by this method will meet that requirement. 3. Transfer both assets to TorVista Homes Ltd. A transfer to TorVista Homes Ltd would be at a nil receipt for which the Council would receive nomination rights on 100% of the properties in perpetuity. A transfer would be predicated on feasibility studies showing the site can deliver affordable housing and meet the objectives identified in Torbay Council’s Housing Strategy. |
| <p>4.</p> | <p>What is the relationship with the priorities within the Partnership Memorandum and the Council’s Principles?</p> |

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| | <p>Disposing of the land will help to support the ambitions and principles of the Corporate Plan by bringing back into beneficial use buildings currently void helping to create a more prosperous Torbay. The redevelopment of the site, most probably for residential use will improve the locality, ensuring this area of Paignton is an attractive and safe place to live.</p> |
| 5. | <p>How does this proposal/issue contribute towards the Council's responsibilities as corporate parents?</p> <p>When considering all matters in relation to the provision of affordable housing the Council will take into account how they can assist looked after children to help give them the best start in life.</p> |
| 6. | <p>How does this proposal/issue tackle poverty, deprivation and vulnerability?</p> <p>Not applicable.</p> |
| 7. | <p>How does the proposal/issue impact on people with learning disabilities?</p> <p>Not applicable.</p> |
| 8. | <p>Who will be affected by this proposal and who do you need to consult with ? How will the Council engage with the community ? How can the Council empower the community ?</p> <p>Not applicable.</p> |

Section 2: Implications and Impact Assessment

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| 9. | <p>What are the financial and legal implications?</p> <p>Open Market Disposal – this would be a freehold disposal with the capital receipt passing to the Council to be used in line with the asset disposal policy i.e. to help supplement the Council's capital programme.</p> <p>Asset Transfer to TorVista – following further feasibility studies, which will establish whether the assets and land can deliver affordable housing and meet the objectives identified in Torbay Council's Housing Strategy, the assets transfer to TorVista Homes Ltd at a nil receipt. The Council would therefore forego a capital receipt which could otherwise be used to support the Council's capital programme.</p> <p>The disposal to TorVista Homes Ltd or on the open market will nevertheless reduce the Council's liability of further maintenance spending and so relieve pressure on the revenue budget.</p> <p>Legal Impact – There are no legal implications anticipated with this disposal.</p> |
| 10. | <p>What are the risks?</p> <p>If the disposal of this asset is not authorised then the repair and maintenance of both buildings will remain with the Council resulting in an ongoing financial pressure.</p> <p>The Council would either lose the potential delivery of much needed affordable housing or lose the capital receipt.</p> <p>Disposal to the open market reduces the level of control and influence that the Council has over the pace of delivery of new homes.</p> |
| 11. | <p>Public Services Value (Social Value) Act 2012</p> <p>Not applicable.</p> |
| 12. | <p>What evidence / data / research have you gathered in relation to this proposal?</p> <p>This proposal has been discussed with relevant officers within the Council. Any decision to accept the site by TorVista Homes Ltd will need to be discussed and agreed by the Board and Directors of TorVista Homes Ltd.</p> |
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| 13. | What are key findings from the consultation you have carried out? No consultation undertaken. |
| 14. | Amendments to Proposal / Mitigating Actions Not applicable. |

Equality Impacts

| 15. | Identify the potential positive and negative impacts on specific groups | | | |
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| | | Positive Impact | Negative Impact & Mitigating Actions | Neutral Impact |
| | Older or younger people | | | There is no differential impact. |
| | People with caring Responsibilities | | | There is no differential impact. |
| | People with a disability | | | There is no differential impact. |
| | Women or men | | | There is no differential impact. |
| | People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i> | | | There is no differential impact. |
| | Religion or belief (including lack of belief) | | | There is no differential impact. |
| | People who are lesbian, gay or bisexual | | | There is no differential impact. |
| | People who are transgendered | | | There is no differential impact. |
| | People who are in a marriage or civil partnership | | | There is no differential impact. |
| | Women who are pregnant / on maternity leave | | | There is no differential impact. |

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| | Socio-economic impacts (Including impact on child poverty issues and deprivation) | The disposal of the land and subsequent redevelopment of the wider area is likely to have a positive impact on deprivation. | |
| | Public Health impacts (How will your proposal impact on the general health of the population of Torbay) | | There is no differential impact. |
| 16. | Cumulative Impacts – Council wide (proposed changes elsewhere which might worsen the impacts identified above) | None | |
| 17. | Cumulative Impacts – Other public services (proposed changes elsewhere which might worsen the impacts identified above) | None | |