

TITLE OF REPORT: Surplus Declaration of Garages at Garth Farm Road, Winlaton

REPORT OF: Mike Barker, Strategic Director, Corporate Services and Governance

Purpose of the Report

1. To seek approval to (i) the property at Garth Farm Road, Winlaton being declared surplus to the Council's requirements and (ii) the future proposal for the property after being declared surplus.

Background

2. The property, which is shown edged black on the attached plan, was acquired in 1937 pursuant to the provisions of the Housing Acts 1890-1925. It comprises of six garages that have fallen into significant disrepair and are now considered to potentially be a health and safety risk to the local community.
3. Two of the 6 garages are held as long term voids as the demand for garages has not warranted the level of expenditure required to bring them back into use. The Gateshead Housing Company has been working with the occupants of the other garages and has identified suitable alternative garages for the two tenants who still require a garage.
4. Interest in purchasing the property has been received from Greenway Homes Ltd, who acquired the adjacent former social club and is currently developing that site with houses for sale. Greenway Homes are proposing to either rebuild or re-furbish the garages and sell them with the houses being built on the adjacent site.

Proposal

5. It is proposed that the property be declared surplus to the Council's requirements so that it can be sold to Greenway Homes Ltd on terms to be agreed.

Recommendations

6. It is recommended that Cabinet:
 - (i) Declare the property surplus to the Council's requirements;
 - (ii) Authorise the Service Director Legal Democratic and Property Services to dispose of the property to Greenway Homes Ltd on terms to be agreed.

For the following reasons:

- (i) To manage resources and rationalise the Council's assets to facilitate the long term sustainability of the Housing revenue Account.
- (ii) To manage resources and rationalise the Council's assets in line with the Corporate Asset Strategy and Management Plan 2015 -2020.

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APPENDIX: Garages at Garth Farm Road, Winlaton.

Policy Context

1. The proposed surplus declaration supports the overall vision for Gateshead as set out in Vision 2030 and the Council Plan. In particular, Live Well Gateshead – the destination of choice for families with a range of excellent and affordable housing options.
2. The proposed declaration will also accord with the provisions of the update of the Corporate Asset Strategy and Management Plan 2015 – 2020. In particular, the rationalisation of the estate through the disposal of an uneconomic asset.

Background

3. The property, which is shown edged black on the attached plan, was acquired in 1937 pursuant to the provisions of the Housing Acts 1890 - 1925.
4. It comprises of six garages that have fallen into significant disrepair and are now considered to potentially be a health and safety risk to the local community.
5. Two of the 6 garages are held as long term voids as the demand for garages has not warranted the level of expenditure required to bring them back into use. The Gateshead Housing Company has been working with the occupants of the other garages and has identified suitable alternative garages for the two tenants who still require a garage.
6. Interest in purchasing the property has been received from Greenway Homes Ltd, who acquired the adjacent former social club and is currently developing that site with houses for sale. Greenway Homes are proposing to either rebuild or re-furbish the garages and sell them with the houses being built on the adjacent site.
7. Over the next 30 years, the life of The Gateshead Housing Company's business plan, taking into account the need for investment, it is anticipated that the garages would produce an income of £15,000.
8. This disposal would accord with section 32 of the Housing Act 1985 and paragraph A3.1.1 of the General Consent for the Disposal of Land held for the purposes of Part II of the Housing Act 1985 – 2013 and there will therefore be no requirement to obtain specific consent from the Secretary of State.

Consultation

9. In preparing this report consultations have taken place with the Leader, Deputy Leader and Cabinet Members for Housing. Ward Councillors for Winlaton and High Spen have also been consulted on the proposal and they have raised no objections.

Alternative Options

10. The option of retaining the property has been discounted as it would result in the loss of an opportunity to develop houses on the land and generate a capital receipt.

Implications of Recommended Option

11. **Resources:**
 - a) **Financial Implications** - The Strategic Director, Corporate Resources confirms that the future disposal of the property is expected to generate a capital receipt for the Council which will be reinvested in the Council's housing stock'.
 - b) **Human Resources Implications** - There are no implications arising from this recommendation.
 - c) **Property Implications** - The future disposal of this property will result in a reduction in the Council's overall property portfolio thus reducing operational costs.
12. **Risk Management Implication** - The future disposal of this property will remove opportunities for anti-social behaviour to vacant property.
13. **Equality and Diversity** – There are no implications arising from this recommendation.
14. **Crime and Disorder Implications** - The future disposal of this property will remove opportunities for crime and disorder.
15. **Health Implications** - There are no implications arising from this recommendation.
16. **Sustainability Implications** - There are no implications arising from this recommendation.
17. **Human Rights Implications** - There are no implications arising from this recommendation.
18. **Area and Ward Implications** – Winlaton and High Spen in the West area.
19. **Background Information** - None.