

MAIDSTONE BOROUGH COUNCIL

CABINET MEMBER FOR CORPORATE SERVICES

**REPORT OF THE ASSISTANT DIRECTOR OF ENVIRONMENT
AND REGULATORY SERVICES**

Report prepared by: Christopher Finch

Date Issued: 04 May 2011

1. DISPOSAL OF RAIGERSFELD HOUSE AND RAIGERSFELD LODGE

1.1 Issue for Decision

1.1.1 To consider a proposal to dispose by way of a freehold auction sale the combined, or separate interests, of Raigersfeld House and Raigersfeld Lodge ("the premises")

1.2 Recommendation of The Assistant Director of Environment and Regulatory Services

1.2.1 That the Cabinet Member agrees to the freehold disposal of both Raigersfeld House and Raigersfeld Lodge by way of auction at the reserve price set out within the Exempt Appendix which accompanies this report, and;

1.2.2 That the Corporate Property Manager is instructed to engage the services of a local auctioneer to market the premises for the next available auction, and;

1.2.3 That the Head of Legal Services be requested to prepare the auction contract(s) for the premises based upon the terms agreed by the Assistant Director of Environment and Regulatory Services in consultation with the Director of Regeneration and Communities, and that the auction contract(s) contain covenants restricting the premises to residential uses only.

1.2.4 That should the premises fail to reach reserve the properties be marketed by private treaty through a local Royal Institution of Chartered Surveyors (RICS) accredited Commercial Agency practice who shall be obliged to provide to the Council a valuation of Best Consideration to demonstrate that any offer received matches or exceeds this valuation.

1.3 Reasons for Recommendation

- 1.3.1 Mote Park, and the dwellings therein, was acquired from the Earl of Romney upon payment of £50,000 by the Council in 1929. It was originally a country estate in private ownership, and was created as a landscaped park at the end of the 18th-century. It is now one of the largest public parks in Kent.
- 1.3.2 The park is currently undergoing a £2.6 million regeneration project which is jointly funded by Maidstone Borough Council and the Heritage Lottery Fund -Parks for People programme. One of the aims of the regeneration project is to restore the historic grade II listed landscape to how it was originally designed and laid out in the late 18th and early 19th Century by the Earls of Romney, who owned the Mote Park Estate. The park was originally designed to provide extensive views across the estate showing off the most important features such as Mote House, the Lake, the Volunteers Pavilion and the historic waterfall, work is currently being carried out to restore these views.
- 1.3.3 Raigersfeld House and Raigersfeld Lodge are located in the north of the Park and comprise a Kent Hall House and smaller gate Lodge
- 1.3.4 Raigersfeld Lodge has been vacant since 2006.
- 1.3.5 The property remained unsold because a right of way needed to be negotiated across land leased to the occupier of Raigersfeld House. The grant of the right of way was successfully completed during 2009.
- 1.3.6 Subsequently, the Council considered a number of options for Raigersfeld Lodge which included the conversion of the property to a Ranger office or a short term residential lease.
- 1.3.7 The option of a Ranger's office was primarily discounted due to the property not being in a location which makes it readily accessible for members of the public. Due to Housing legislation the Council is unable to lease out premises for residential purposes for a period of less than 22 years without creating a statutory tenancy giving 'right to buy' rights to a tenant, and therefore it was considered that such a period of lease was not an option to be taken further.
- 1.3.8 In January 2011 the tenant of Raigersfeld House issued the Council with a notice to quit, citing ill health, and the Council accepted the tenant's offer of surrender. The property became vacant on 7th January 2011, giving the Council an opportunity to dispose of both Raigersfeld House and Raigersfeld Lodge together.

- 1.3.9 An initial assessment of the remedial costs involved to bring both properties up to a standard suitable for use or leasing, balanced against the likely rental income to be generated is not considered a prudent use of public money.
- 1.3.10 Both buildings have also become a target for vandalism, theft and other anti-social behaviour, thus exposing the Council to significant on-costs the longer they remain vacant and owned by the Council and therefore the properties should be sold as quickly as possible through auction, on the terms set out in the exempt appendix which accompanies this report, so as to reduce the risk to which the Council is exposed.

1.4 Alternative Action and why not Recommended

- 1.4.1 Consideration could be given to disposing of the properties by Private Treaty (Estate Agency sale) and if the reserve price is not achieved this remains the next best option, however the property is vulnerable and has already fallen victim to theft and criminal damage, and retention of the properties by the Council is considered to be too high a risk and should therefore be sold as soon as possible.
- 1.4.2 The Cabinet Member could consider undertaking a refurbishment of both buildings with a view to council use or re-letting for a term of not less than 22 years. An assessment of the likely rents receivable once the works had been undertaken are not considered adequate to produce a sufficient return upon the capital expenditure required to refurbish the properties.
- 1.4.3 The Cabinet Member could consider sale of the premises by way of a long lease agreement however this approach would reduce the likely sale value of the property.
- 1.4.4 The premises could be retained and considered for alternative uses but due to the general condition of the premises, the likely refurbishment costs, vulnerability of the premises and no immediate opportunities, such a proposal is considered to be too high a risk to consider. In view of these on-going issues it is recommended that the properties are disposed of by auction.

1.5 Impact on Corporate Objectives

- 1.5.1 Disposal of the premises will provide a capital receipt which will support the Council's capital programme and also remove an ongoing cost liability within the property portfolio.

1.6 Risk Management

1.6.1 There is a risk that the premises may not achieve reserve at the auction sale. Should this happen, then the next best option is to proceed to sell by private treaty with the Assistant Director for Environment and Regulatory Services given delegated powers to accept the most advantageous offer.

1.7 Other Implications

1.7.1

1.	Financial	X
2.	Staffing	
3.	Legal	X
4.	Equality Impact Needs Assessment	
5.	Environmental/Sustainable Development	
6.	Community Safety	X
7.	Human Rights Act	
8.	Procurement	
9.	Asset Management	X

1.7.2 Financial: Surrender of the leasehold interest will result in foregoing an annual rent of £7,500 which will require additional revenue funding, however, disposal of the premises will realise a capital receipt to the Council, the shortfall in revenue brought about through early termination of the lease is to be made up by general rent increases within the rent portfolio over the coming years.

1.7.3 Legal: Staff resources will be required to prepare the required sales contract(s)

1.7.4 Community Safety: Sale of the premises will reduce the Council's exposure to incidents of anti-social behaviour.

1.7.5 Asset Management: Sale of the premises will reduce on-going management and security costs associated with protecting vacant buildings.

1.8 Conclusions -

1.8.1 None

1.9 Relevant Documents

1.9.1 Appendices

1.9.2 Location plan (Lodge)

1.9.3 Location plan (House)

1.9.4 Location plan (Lodge and House combined)

1.9.5 Exempt Appendix

1.9.6 Background Documents

1.9.7 None

IS THIS A KEY DECISION REPORT?

Yes

No

If yes, when did it first appear in the Forward Plan?

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This is a Key Decision because:

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Wards/Parishes affected:

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How to Comment

Should you have any comments on the issue that is being considered please contact either the relevant Officer or the Member of the Executive who will be taking the decision.

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