



Cabinet 20 October 2010

Asset Management Plan: Beetons Cottages, Bury St Edmunds (Nov10/07)

1. Summary and Reasons for Recommendations

- 1.1 The Council built numbers 1 and 2 Beetons Cottages, Bury St Edmunds in the late 1980s as service accommodation for two caretakers working at St Edmundsbury House and Depot.
- 1.2 Following the tender of the facilities management contract for services at West Suffolk House and subsequent resignation of a caretaker, number 2 Beetons Cottages is now vacant and surplus to requirements for service delivery.
- 1.3 In accordance with Asset Management Plan (AMP) procedures, the favoured option is to sell the property.

2. Recommendations

- 2.1 It is **RECOMMENDED** that:-
 - (a) Number 2 Beetons Cottages be declared surplus and sold on the open market; and
 - (b) Number 1 Beetons Cottages be declared surplus when it becomes vacant.

3. Corporate Objectives

- 3.1 The recommendations meet the following, as contained within the Corporate Plan:-
 - (a) Corporate Priority: *'To raise Corporate Standards and Efficiency'*.

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4. Key Issues

4.1 Background

4.1.1 The Council built two bungalows in the late 1980s behind St Edmundsbury House and the Depot, 1 and 2, Beetons Cottages. Two caretakers were housed in these, as part of their contract of employment due to the call out nature of their role. The location of the bungalows is shown on the attached plan.

4.1.2 On 18 February 2008 Cabinet considered the provision of integrated Facilities Management (FM) services for West Suffolk House. One of the approved recommendations was to continue to provide the accommodation at both Beetons Cottages while the depot remains as part of the West Suffolk House Facilities Management (FM).

4.1.3 The new FM contract, won by Ocean Cleaning Limited, commenced in June 2010. Although both caretakers residing in Beetons Cottages were offered service transfers under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE), one caretaker decided to cease employment and has moved out of number 2 Beetons Cottages. Neither property is now required as part of the FM contract, although one caretaker continues to live at number 1 Beetons Cottages.

4.2 Asset management options

4.2.1 In accordance with the AMP processes, the following options have been considered:-

- (a) **Retain in operational use:** Number 2 Beetons Cottages is surplus to service delivery requirements for the foreseeable future;
- (b) **Retain for alternative uses with or without partners:** The Council cannot let the bungalow directly as it would run the risk of the sitting tenant exercising *'right to buy'* powers as a Council House. If the house is let through an intermediary registered social landlord (RSL), the amount of rent would be limited, to reflect the social rent to be charged to the tenant and allow for RSL management costs. There would be limited service delivery, in only providing one affordable unit. The capital value of the asset would be considerably less, as it would reflect the terms of the letting. A previous AMP review of individual houses in 2006 concluded that individual houses let to RSLs should be sold if opportunities arose;
- (c) **Retain until the adjoining number 1 Beetons Cottages becomes vacant:** This bungalow is currently occupied by an employee of Ocean Cleaning Limited but measures have been put in place that the Council can regain possession of the property at the appropriate time. The two bungalows are self-contained and are likely to be attractive to private purchasers for owner occupation or rent. There is no advantage in selling them as a pair of bungalows, which would mean keeping number 2 vacant for over two years; and
- (d) **Sell and reallocate the capital to better achieve corporate objectives:** The favoured option.

4.3 Considerations for the sale of number 2 Beetons Cottages

4.3.1 It is proposed to sell the freehold of number 2 with vehicular access and parking rights on adjoining land. This will leave the opportunity to dispose of number 1 Beetons Cottages when the opportunity arises. This property will have independent vehicular

access and parking rights.
4.3.2 The sale now of number 2 Beetons Cottages will not disadvantage a sale in the future of number 1.
4.3.3 There are no opportunities to intensify the residential use in the vicinity of numbers 1 and 2 Beetons Cottages by identifying an additional house plot. There is insufficient land, which cuts back steeply to the Olding Road car park.
5. Other Options considered
5.1 The options appraisal is part of the adopted AMP processes and they are considered above.

6. Community impact <i>(including Section 17 of the Crime and Disorder Act 1998 and diversity issues)</i>
6.1 <u>General</u>
6.1.1 The sale of number 2 Beetons Cottages has no adverse community impact, nor any implications for the Crime and Disorder Act 1998. There will be no adverse impact on the resident of the adjoining property.
6.2 <u>Diversity and Equality Impact</u> <i>(including the findings of the Equality Impact Assessment)</i>
6.2.1 There are no diversity implications.

7. Sustainability Impact <i>(including environmental or social impact on the local area or beyond the Borough)</i>
7.1 There is no impact on sustainability. Both bungalows will remain as individual residential properties.
7.2 No issues arising from the Sustainability Impact Assessment were identified for further action.

8. Consultation
8.1 Number 1 Beetons Cottages continues to be occupied by a caretaker employed by Ocean Cleaning Limited. He has been consulted on these proposals and raises no objections.
8.2 Ward Members have been consulted and support the proposals.

9. Resource implications <i>(including asset management implications)</i>
9.1 The sale of number 1 Beetons Cottage will be treated as a capital receipt. It will be incorporated in the adopted Asset Management Plan Disposal Programme.
9.2 The sale proceeds are likely to be received in 2011/2012.

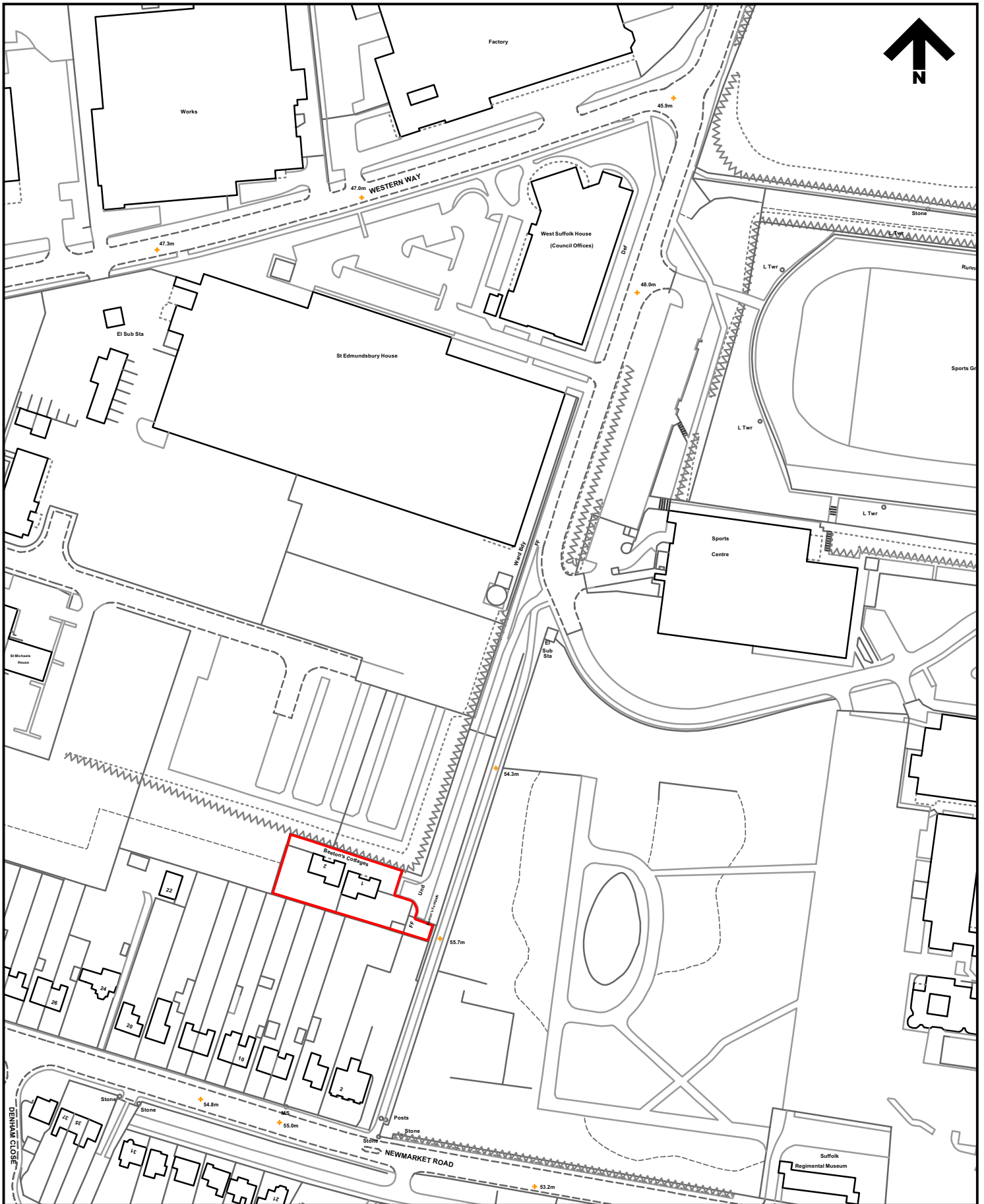
10. Risk Assessment <i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>								
10.1 The following risks are identified:								
<table border="1"> <thead> <tr> <th>Risk area</th> <th>Inherent level of Risk (before controls)</th> <th>Controls</th> <th>Residual Risk (after controls)</th> </tr> </thead> <tbody> <tr> <td>The sale does not achieve the anticipated financial expectations</td> <td>Medium</td> <td>Effective marketing through an experienced agent dealing with residential properties</td> <td>Low</td> </tr> </tbody> </table>	Risk area	Inherent level of Risk (before controls)	Controls	Residual Risk (after controls)	The sale does not achieve the anticipated financial expectations	Medium	Effective marketing through an experienced agent dealing with residential properties	Low
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The sale does not achieve the anticipated financial expectations	Medium	Effective marketing through an experienced agent dealing with residential properties	Low					

11. Legal or policy implications
11.1 The proposed sale of number 2 Beetons Cottages is in accordance with the adopted AMP options appraisal.
11.2 The sale will be made in compliance with s123 of the Local Government Act 1972.

Ward affected	Minden	Portfolio Holder	Economy and Asset Management
Background Papers	Cabinet Paper Y552 18 February 2008	Subject Area	Property Management

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Beetons Cottages, Beetons Way, Bury St Edmunds



St Edmundsbury
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