

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 14th June 2010

CONTACT OFFICER: Julie Evans, Strategic Director of Corporate Resources
Neil Simon, Interim Assistant Director, Property Services

(for all enquiries) 01753 875301 or 01753 875898

WARD(S): Wexham Lea

PORTFOLIO: Leader - Finance and Strategy, Councillor Anderson

PART I KEY DECISION

FORMER REDUNDANT ELDERLY PERSONS' CARE HOME - WEXHAM HOUSE 132 KNOLTON WAY, WEXHAM, SLOUGH

1 Purpose of Report

- 1.1 The purpose of this report is to advise Members of the tender bids received in relation to the above surplus site.

2 Recommendation(s)/Proposed Action

The Cabinet is requested to:

- (a) Decide which of the 13 bids received represents Best Value and
- (b) Resolve that the Borough Secretary and Solicitor, in consultation with the Strategic Director of Resources be authorised to dispose of the subject property to the preferred bidder.

3 Community Strategy Priorities

- Prosperity for All

4 Other Implications

(a) Financial

Offers in the region of £1,100,000 were requested for the site. In an attempt to bring parity to the bids from Registered Social Landlords Jeremy Walter, Strategic Housing Manager is providing a £400,000 subsidy in addition to offers received from RSL's. The subsidy is a combination of capital receipts from surplus housing disposals and commuted payments from private housing developments within the Borough.

(b) Risk Management

Risk	Comment / Mitigation
A sale of this redundant former care home does not necessarily	The state of the housing market is currently very fragile and it is beyond the Council's sphere of

mean that it will be re-developed in the short term as the successful purchaser may wait for the housing market to improve.	influence. The Council's duty is to obtain best consideration for its assets rather than influence the timing of the re-development.
That the preferred bidder does not complete the purchase and the receipt is delayed beyond the financial year adversely affecting the Capital Programme.	There will be sufficient time to offer the property to one of the other bidders so Members should be asked to nominate their 3 preferred bidders in order of preference.
The £400,000 subsidy being offered by Housing to the RSL's is made up of capital receipts from surplus housing property disposals and commuted payments from private housing developments within Slough. The commuted receipts are available for a limited time in order to increase and improve the Borough's social housing stock. If the receipt is not utilised it will be returned to the developer	Disposing of the site to a RSL will ensure that these funds are directed to addressing the shortage of social housing stock in the Borough and providing homes for those in urgent need of housing. The current housing waiting list is 6,297 with 88 families in Band A (Urgent).

(c) Human Rights Act and Other Legal Implications

There are no Human Rights Act Implications. An overage clause will be incorporated into the legal documentation to protect the Council's long term position in the event the successful tenderer or subsequent owner obtains planning consent for a more intensive use than the present Planning Consent provided.

(d) Race Relations Amendments Act Implications

There are no Race Relation or Equalities issues arising from this matter.

5 Supporting Information

- 5.1 The elderly persons home at Wexham House, Knolton Way, Wexham, Slough was declared surplus to operational requirements by Cabinet. The care home was not fit for purpose as it did not satisfy the criteria of the National Minimum Standards for such a use and re-provision has been provided within the immediate vicinity at Oak House, Forest Close, Wexham.
- 5.2 Outlining planning permission (S/00610/002) was obtained on 19th January 2010 for the erection of 19, 2 storey family houses with associated parking (1 x 7 bedroom house, 5 x 4 Bedroom houses and 13 x 3 bedroom houses) arranged in 4 terraces. The site is to be sold on the basis that the purchaser will be required to enter into a Section 106 Agreement with the Council with an affordable housing contribution of £384,000 and an education contribution of £316,488.
- 5.3 The site has been offered to the market by way of informal tender with a guide price of £1,100,000 (not inclusive of the S106 costs outlined in 5.2 above). Details were sent to all the Council's Registered Social Landlord partners together with all parties

requesting details from the marketing in the local and national property papers/journals.

- 5.4 The closing date for tenders was 12 noon on 28th May 2010. 13 tenders were received. 6 tenders were received from speculative house builders, 5 from Registered Social Landlords (4 of which are partnership RSL's of the Council) and 2 medical practitioners. The offers received are detailed in the Part II Appendix in their specific classifications so an informed decision on which offer represents Best Value to the Council can be made. The offers are above the delegated threshold of £250,000. A paragraph about each bid is included in the Part II appendix to assist members in their decision process.

6 **Conclusion**

The difference in the level of offers received is considerable. The offers received from all the 4 partnership RSL's include a contribution of £400,000 and is therefore not new money to the Council. Very little affordable housing is being developed and the subsidy put forward is an attempt to enable the provision of much needed family housing to reduce the housing waiting list. Members will need to decide which offer represents Best Value to the Council in both monetary and added community value terms. Members are asked to provide a prioritised list of 3 bidders. This will be on the basis that the property will be offered to the first bidder on the list and if that bidder does not proceed it will be offered to the second bidder and so on.

7 **Appendices Attached**

Appendix A – Details of Bids Received – Part II

Appendix B - Plan of the site.

8 **Background Papers**

None