



Essex Police, Fire and Crime Commissioner Fire and Rescue Authority

Decision Report

Please ensure all sections below are completed

Report reference number: 019/21

Government security classification Not protectively marked but subject to redaction

Title of report: Day Crewing Houses – Sale of Surplus assets
[REDACTED]

Area of county / stakeholders affected: Countywide

Report by: Maria Edwards (Property Services Administrator)

Date of report: 22 February 2021

Enquiries to: Maria Edwards (Property Services Administrator)

1. Purpose of the report

- To seek approval for the sale of [REDACTED]

2. Recommendations

- To proceed with the sale of [REDACTED] for the sum of £290,000 with a completion date of 31 March 2021.
- To sign attached Engrossment Contract and TP1 in order to formalise the sale document and transfer legal ownership to the buyer.

3. Benefits of the proposal

The proposal disposes of [REDACTED], which is surplus to Essex County Fire and Rescue Service requirements and provides a substantial capital receipt.

4. Background and proposal

The service owns a number of properties that have been used for day crew housing.

The property is deemed to be surplus to Essex County Fire and Rescue Service requirements and under decision sheet 011-20 was approved to be listed for sale. The property valuation as at 31 March 2020 was £310,000. Relevant extract from the Lambert Smith Hampton report attached as an **appendix**.

Three Estate agents were approached for quotes for the fees associated with selling of the day crew properties listed under decision sheet 011-20. The fees quoted were consistent for each of the Estate Agents and therefore the properties listed for sale were split amongst the Estate Agents, so that we were not solely reliant upon 1 Supplier.

Two offers were received on the property. The first was for £291,500 but the buyers had another offer accepted on another property and decided to proceed with that purchase. The second offer was for £290,000 and this offer was accepted.

5. Alternative options considered and rejected

The Commissioner could decide to reject the offers and return the property to the market, however, given the amount of the offer this option is not recommended.

6. Strategic priorities

The sales of these properties is as a result of these properties becoming surplus to requirements as the Service's operating model has changed. This is in line with the 2016-2020 IRMP, 2020–2024 IRMP and enables delivery of the priorities set out in the 2019-2024 Fire and Rescue Plan.

Plans to sell surplus day crewing housing have previously been communicated:

- As part of the benefit realisation of the day crewed conversion programme
- Within paragraph 60 of the 2020-21 budget paper which was approved by the Police, Fire and Crime Panel on the 6 February 2020.
- At the SLT Meeting on 26th May 2020 and the Strategic Board on 11th June 2020.

7. Operational implications

There are no adverse operational implications arising from these sales.

The proceeds from the sales will provide capital receipts to fund other transformation or capital projects in line with the priorities set out in the Fire and Rescue Plan 2019-2024.

8. Financial implications

Following a robust marketing of the properties, there were two separate bids received which were very similar and gives reassurance that the offers reflect the current market conditions. Both of these bids were below the valuation report as at 31 March 2020.

Given the process followed, it is recognised that the offer reflects the current market conditions and as such is in the best interest of the Authority to accept.

While we could go out to market again, this would delay the sale of the property and in receiving the capital receipt, with no guarantee that we achieve a better price. We would also incur additional costs, most notably in respect to legal fees.

The Capital receipts arising will be allocated to the Capital Receipts Reserve after deduction of allowable disposal costs associated with conveyancing and marketing.

If the sale is not undertaken, it is likely that the sales process will be more protracted.

A failure to maximise the sales value of the property could place the Commissioner in breach of the fiduciary duty to sell assets for best consideration.

The sale of the day crew housing will be reported in the monthly Finance report that is included within the Performance and Resources Board.

9. Legal implications

Legal representation for the conveyancing would be required.

10. Staffing implications

There are no staffing implications, as staff have already vacated this property.

11. Equality and Diversity implications

There are no Equality and Diversity Implications.

12. Risks

There was a risk that Covid 19 has an adverse effect on the property market, and therefore it has a potential impact on the expected sales proceeds and timing of the sales. However, the offer for this property and the valuation provide reassurance that this has not be the case.

13. Governance Boards

At the SLT meeting on the 26 May 2020, it was agreed by the SLT that:

- The listed day crewed houses were deemed to be surplus assets.
- The surplus assets should be sold.

The paper was progressed, as per governance arrangements, to the Strategic Board on 11 June 2020 where the board supported the recommendations.

14. Background papers

Decision Sheet 011-20

Decision Process (019-21)

Step 1A - Chief Fire Officer Comments

(The Chief Fire Officer is asked in their capacity as the Head of Paid Service to comment on the proposal.)

I support this recommendation

Sign: ...  ...

Date: ...10/3/21.....

Step 1B – Consultation with representative bodies

(The Chief Fire Officer is to set out the consultation that has been undertaken with the representative bodies)

...N/A

Step 2 - Statutory Officer Review

The report will be reviewed by the Essex Police, Fire and Crime Commissioner Fire and Rescue Authority’s (“the Commissioner’s”) Monitoring Officer and Chief Finance Officer prior to review and sign off by the Commissioner or their Deputy.

Deputy Monitoring Officer

Sign: 

Print: Darren Horsman

Date: 12 March 2021

Chief Finance Officer

Sign: ... 

Print:Neil Cross.....

Date: 10/3/21

Step 3 - Publication

Is the report for publication? YES (but subject to redaction)

If ‘NO’, please give reasons for non-publication (*Where relevant, cite the security classification of the document(s). State ‘none’ if applicable*)

.....publication after the sale.....

If the report is not for publication, the Monitoring Officer will decide if and how the public can be informed of the decision.

Step 4 - Redaction

If the report is for publication, is redaction required:

- | | | |
|----------|--------------------------|----------------------------|
| 1 | Of Decision Sheet | YES |
| 2 | Of Appendix | NOT FOR PUBLICATION |

If 'YES', please provide details of required redaction:


Address of property to be redacted throughout

Engrossment contract and TP1 not to be published as they are commercially sensitive

Valuation Report **not to be published** as it is commercially sensitive.....

Date redaction carried out:

If redaction is required, the Chief Finance Officer or the Monitoring Officer are to sign off that redaction has been completed.

Sign: 

Print: Neil Cross.....

Date signed: 17 March 2021.....

Step 5 - Decision by the Police, Fire and Crime Commissioner or Deputy Police, Fire and Crime Commissioner

I agree the recommendations to this report:

Sign:  (PFCC)

Print: Roger Hirst

Date signed: 16 March 2021

I do not agree the recommendations to this report because:

.....
.....

Sign: (PFCC / DPFCC)

Print:

Date signed: