

## PFCC Decision Report

**Please ensure all sections below are completed**

<b>Report reference number:</b> PFCC/046/23
<b>Classification:</b> OFFICIAL
<b>Title of report:</b> Sale of 42 St Margaret's Road, Chelmsford (Former Police House)
<b>Area of county / stakeholders affected:</b> District of Chelmsford
<b>Report by:</b> Patrick Duffy – Head of Estates <b>Chief Officer:</b> ACO Jules Donald <b>Date of report:</b> 7 <sup>th</sup> March 2023 <b>Enquiries to:</b> Patrick.Duffy@essex.police.uk

### 1. Executive Summary

This decision report recommends to the Police, Fire and Crime Commissioner (PFCC) to dispose of a vacant, surplus to operational requirements, former police house by sale for the sum of £355,000. In addition, to enter a formal contract for the sale and sealing the land registry transfer.

### 2. Recommendations

The first recommendation to the PFCC is to agree to proceed with the unconditional sale of 42 St Margaret's Road Chelmsford, the former police house for the sum of £355,000.

The second recommendation to the PFCC is to sign the sales contract contained within *Section 16 Background Papers and Appendices*.

The third recommendation to the PFCC is to seal the Land Registry Transfer (TP1) contained within *Section 16 Background Papers and Appendices*.



### **3. Background to the Proposal**

The property is a former Police House built around the 1960's comprising a three-bedroom end of terrace house with one reception room, kitchen and bathroom. The property needs decoration and modernisation throughout. The property benefits from a wide garden to the side and to the front of the property in a corner position, and although there is currently no parking, the property offers some development potential.

The property was vacated by the residing former police officer following their retirement from the force. All police houses were declared surplus to operational requirements and approved for disposal by the former Essex Police Authority as part of the Housing Review.

The property has been marketed on a private treaty basis by Bairstow Eves estate agents with a guide price of £375,000.

The property has been exposed to the market by means such as a For Sale Board, Property Particulars, Direct and Internet Marketing. This range of marketing is considered to provide wide exposure. The property was marketed with development potential.

Open house marketing took place during February 2022 and 5 best offers were received on 22<sup>nd</sup> February 2022 ranging from £290,000 to £380,000 which were based on 'buying for development'. The 3 highest offers all required the bidders to obtain mortgages and the two lowest offers were from cash buyers (funds to be verified). The decision was made to accept the highest offer of £380,000, as the difference between that and the highest cash offer was £70,000 less.

During the commercial property standard enquiries stage, the buyer submitted a planning application for installing vehicular access from Chelmer Road which was rejected by the Highways Authority. On 27<sup>th</sup> June 2022, the buyer later withdrew from the sale and the property was re-marketed.

During the second period of marketing, 7 viewings took place and an unconditional cash offer of £375,250 was made, although this was not accepted at the time as the marketing period had not closed. On 27<sup>th</sup> July, upon closure of the marketing period, despite the viewings, only one unconditional offer was received of £375,000 and this was accepted on the basis that the offer matched the guide price. Unfortunately, on 1<sup>st</sup> September 2022, the buyer later withdrew from the sale without comment and the property was remarketed for a third time.

During the third period of marketing, an initial offer was received of £350,000, and although qualified was not recommended by the Bairstow Eves, as they advised buyer demand was still strong in Chelmsford, although the market was slowly starting to turn in the favour of the buyer and properties were starting to reduce in price as the market changed. Bairstow Eves advised that the acceptable range for St. Margaret's Road should be in excess of £360,000.



Since marketing began the property had been directly matched to 208 buyers, with 70 viewings arranged and 16 offers received, two of which were accepted. The first buyer withdrew after finding out the plans he had for the property would not be approved and the second buyer has not provided a reason, but was assumed for similar reasons, despite the offer not being contingent on gaining planning consent.

A further offer of £360,000 was received on 14<sup>th</sup> September, which was lower than the anticipated guide price. An offer of compromise was negotiated, for the buyer to increase the offer to £367,500 on the basis that we would allow the buyer a grace period of 14 days to agree a sale on their property with a complete chain during which time viewing activity would be suspended.

The agreed sale price of £367,500 was agreed on 15<sup>th</sup> September 2022. The decision made reflected the change in the market (as advised above) and the number of times and period in which this property had been marketed.

During the process of progressing with the contract for this sale, with changes in the market due to the Governments Budget announcements and the subsequent impact on mortgage lending, the property market took a reported downturn. This impact has not enabled our buyer to sell their property easily as prices generally had decreased in value.

Our Agent advised on 6<sup>th</sup> December 2022 that our buyer in having to reduce his property sale price to be able to sell, was unable to continue to purchase 42 St Margaret's Road at the sale price originally offered of £367,500. He asked whether we would consider reducing the offer by £15,000 in accordance with the reduction he was having to make with his own property sale.

This request was considered by the Head of Estates. In essence, with accepting where the market was, with the number of marketing attempts undertaken to sell the property and the fact that the original offer of £367,500 was made prior to Government's Statement and with agreement that we would allow the buyer to sell their house whilst we stopped marketing, a price of £355,000 was offered and subsequently agreed with the buyer. This offer reduced the price by £12,500.

Whilst not conditional to the sale, there has also been conversation regarding parking availability in St Margaret's Road within the grass verge land adjacent to 48 St Margaret's Road. The land purchase and the cost of any works to create parking would have to be funded by the buyer and agreed under a separate arrangement and negotiation, which will continue in tandem with the contract process.

Therefore, our recommendation is to proceed with the unconditional sale of the former Police House for the sum of £355,000.

#### **4. Proposal and Associated Benefits**

This proposal disposes of the former Police House which is surplus to operational policing requirements and provides a receipt for the Capital Funds of the Commissioner.



The proposal is for an unconditional sale and is not dependent on the buyer obtaining planning permission.

## **5. Options Analysis**

Keep the Property – Rejected – Essex Police has no operational need to keep and maintain the property following the residing officer's retirement and there is no need to provide a police house provision within Essex. If the property is kept it would remain vacant and be subject to increasing council tax due to being vacant and with continuing costs to maintain the property.

## **6. Consultation and Engagement**

There has been engagement with staff representative bodies through the relevant governance boards, namely the Estate Change Board for asset disposals.

## **7. Strategic Links**

The recommendations within the decision report are underpinned by the Estate Strategy, which in turn supports the overall Police & Crime plan ensuring we have the most efficient and effective estate to support policing throughout the county for the Essex public.

## **8. Police operational implications**

There are no adverse operational policing implications arising from the sale. Completion of the sale will assist in delivering Capital receipts to reinvest as per the Commissioners capital programme.

## **9. Financial implications**

The recommendation within this decision report will achieve a capital receipt of £355,000. If this sale is not completed this part of the Capital Programme will need to be funded from elsewhere.

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

The capital receipt of £355,000 which is now being forecasted was submitted to Corporate Finance within the December 2022 disposals tracker and was updated within the month 10 Performance and Resources report provided in February 2023.

## **10. Legal implications**

The commissioner will be required to enter a sale contract and seal a land registry transfer (TP1) to complete the asset disposal as detailed within the second and third recommendation.



The conveyance has been undertaken on behalf of the commissioner by Essex Legal Services and the documentation is included within Section 16 Background Papers and Appendices.

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

#### **11. Staffing implications**

There are no staffing or resource implications, the former police house is not part of the core property requirements.

#### **12. Equality, Diversity and Inclusion implications**

There are no specific Equality, Diversity or Inclusion implications arising from this decision report.

#### **13. Risks and Mitigations**

There are no adverse risks identified that are as a result of the recommendation within the decision report.

#### **14. Governance Boards**

Essex Police Authority – Strategic Housing Review

#### **15. Links to Future Plans**

This decision report and the recommendations are linked to our longer-term plans for providing capital resources and subsequent investment strategy.

#### **16. Background Papers and Appendices**

Marketing Brochure – OFFICIAL (Publish)



20220202 Marketing  
Details.pdf

[Redacted]

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## Estate Strategy 2018 – 2023

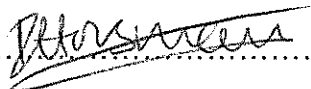
<http://www.essex.pfcc.police.uk/finance-reporting/publications/police-estates-strategy/>



## Report Approval

The report will be signed off by the PFCC's Chief Executive and Chief Finance Officer prior to review and sign off by the PFCC / DPFCC.


Chief Executive / M.O.

Sign: 

Print: Darren Harsman

Date: 24/3/2023

Chief Financial Officer

Sign: 

Print: Janet Perry

Date: 24 March 2023

## Publication

Is the report for publication?

YES

☒

NO

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

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.....  
.....

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

## Redaction

If the report is for publication, is redaction required:

1. Of Decision Sheet?

YES

☐

2. Of Appendix?

YES

☒

NO

☒

NO

☐



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

The sales contract and transfer contain personal information relating to the purchasers. Once the sale has completed the information will be available through Land Registry.

Date redaction carried out: 27th March 2023

**Chief Finance Officer / Chief Executive Sign Off – for Redactions only**

If redaction is required, the Treasurer or Chief Executive is to sign off that redaction has been completed.

Sign:  .....

Print: Janet Perry .....

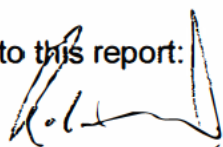
~~Chief Executive~~ / Chief Finance Officer

**Decision and Final Sign Off**

I agree the recommendations to this report:

Sign:

Print:

  
R. C. H. H. H.  
PFCC/Deputy PFCC

Date signed:

24/3/23

I do not agree the recommendations to this report because:

.....  
.....  
.....

Sign:

Print:

PFCC/Deputy PFCC

Date signed: