

PFCC Decision Report

Report reference number: PFCC/123/23

Classification: OFFICIAL

Title of report: Sale of 28 La Plata Grove, Brentwood (Former Police House) – Amendment to Sale Price

Area of county / stakeholders affected: District of Brentwood

Report by: Patrick Duffy – Head of Estates

Chief Officer: Claire Medhurst, Director of Support Services

Date of report: 27th July 2023

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1. Executive Summary

This decision report recommends to the Police, Fire and Crime Commissioner (PFCC) that they dispose of a vacant, surplus to operational requirements former police house by sale for the revised sum of £455,000 (reduced from £460,000).

2. Recommendations

The first recommendation to the PFCC is to agree to proceed with the unconditional sale of 28 La Plata Grove, the former police house, for the revised sum of £455,000, originally approved at £460,000 through decision 042/23.

The second recommendation to the PFCC is to agree to replace the references to the purchase price with the reduced price as detailed within the first recommendation, so that amended pages can be inserted into the previously sealed sales contract and land transfer (TP1) contained within section 16 (Background Papers and Appendices).

The third recommendation to the PFCC is to approve Essex Police's solicitors undertaking the above page changes on their behalf.

3. Background to the Proposal

The property is a former police house built in the 1970s comprising a three-bedroom semi-detached house with one reception room, a kitchen and bathroom. The property needs extensive decoration and modernisation throughout. The property benefits from good-sized gardens at the rear and front of the property in a quiet position laid back from the road. It has parking for two vehicles and 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 Keith Ashton estate agents with a guide price of £500,000. 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.

Six weeks of marketing took place between December 2022 and January 2023, with a total of 16 viewings and three best offers, which were received on 17th January 2023, ranging from £450,000 to £500,000 based on 'buying for family home'. The highest offer was made by a bidder who had no qualified finances and, after seeking further evidence, they were not able to provide anything having been given a few days. Therefore, the second highest offer was accepted on the basis that the bidder had obtained a mortgage, had a good deposit and were financially qualified. The decision was made to accept the second highest offer as this reflected the market conditions and was within guide price. Therefore, our recommendation set out in decision report 042/23 was to proceed with the unconditional sale of the former police house for the sum of £460,000.

Subsequently to this agreement and engrossment of the contract and land transfer for the sale of 28 La Plata Grove, at the point of exchange, the buyer at the bottom of the chain withdrew from the process. A new buyer has now made an offer for the property at the start of the chain however this offer was £20,000 lower than the original and reflects the more recent market conditions and changes to mortgage rates and offers.

All parties involved (four in the chain) were asked whether they would consider taking a reduction in the price of their sale due to market conditions and concerns about losing additional parties in the chain. All other parties agreed to accept a reduction in sale price of £5,000 each. Therefore, our further recommendation to the PFCC is to proceed with the unconditional sale of the former police house for the revised sum of £455,000.

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.

The reduction in price maintains the current chain in the sale of the property and limits the risk of losing other parties or recommencing a marketing process, which would more than likely result in a larger reduction in the sale price due to market conditions.

5. Options Analysis

Keep the property longer-term – 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 make 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 the force would incur continuing costs to maintain the property.

Keep the property short term and re-market when market conditions improve – Rejected – The property is already under offer and - subject to approval of the £5,000 reduction in price - is ready to exchange and complete within two weeks.

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 Police and Crime Plan by 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 Commissioner's capital programme.

9. Financial implications

The recommendation within this decision report will achieve a capital receipt of £455,000. If this sale is not completed, 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.

10. Legal implications

Approval of this decision report amends the sale price of the property and no other contract or transfer conditions which are already approved.

11. Staffing implications

There are no staffing or other 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 as a result of the recommendations within this decision report.

14. Governance Boards

Essex Police Authority – Strategic Housing Review

15. Links to Future Plans

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

16. Background Papers and Appendices

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

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: P. Brent-Isherwood

Date: 7 August 2023

Chief Finance Officer

Sign:



Print: Janet Perry

Date: 22 August 2023

Publication

Is the report for publication?

YES

NO

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

Subject to redaction as set out below

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 NO 2. Of Appendix? YES NO

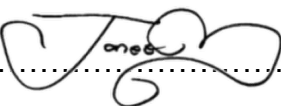
If 'YES', please provide details of required redaction:

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: 18/09/23

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

Date signed: 01 October 2023

Decision and Final Sign Off

I agree the recommendations to this report:

Sign: 
Print: Jane Gardner

Deputy PFCC

Date signed: 22 August 2023

I do not agree the recommendations to this report because:

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Sign:

Print:

PFCC/Deputy PFCC

Date signed: