

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: GREEN HOUSE PROJECT – HOUSE SALES

Meeting/Date: Overview and Scrutiny (Environmental Well-Being) -
9 September 2014
Cabinet - 11 September 2014

Executive Portfolio: Cllr Tysoe, Cllr Gray

Report by: Environment Team Leader

Ward(s) affected: St Neots – Eynesbury Ward
St Ives - South Ward

Executive Summary:

This reports sets out the latest position with the Green House projects and its future need. The educational use of the two houses to show the latest energy saving technology has now passed its peak with the number of visitors dropping significantly. Approval is needed to sell these two properties and to delegate the acceptance of the sale price.

Recommendation(s):

- 1 It is recommended that Cabinet:
 - a) agrees to the sale of the two Green Houses, with St Neots as soon as possible and St Ives early next year, using a local agent and the best price sought.
 - b) delegates responsibility to the Head of Operations (after consultation with the Executive Councillor for Resources) to accept the best offers for the sale of the properties

This page is intentionally left blank

1. WHAT IS THIS REPORT ABOUT/PURPOSE?

- 1.1 A report was presented to Cabinet on 20 October 2011 with an update on the Green house project and the benefits that this project was making to the council and the district. This report looks to how this scheme is now brought to a close and the future of the houses decided.

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

- 2.1 The Green House project used two houses that the council bought to show the possibilities of conversions and retrofit for energy savings. The St Ives house had been the main one used with visits taking place several times per week. These have now reduced to less than once a week. The St Neots house has been rented out since 2012.
- 2.2 The report of 20 October 2011 agreed to retain the St Ives Green House until March 2014 and to rent the St Neots property with the additional revenue costs being met from the existing Environmental Projects revenue budget. It supported the development of the project as the main mechanism for the Council to deliver the Government's Green Deal initiative in conjunction with project partners.
- 2.3 This report looks at the timescale for the sale of these two buildings.

3. OPTIONS CONSIDERED / ANALYSIS

- 3.1 The St Neots house has been rented out for 2 years with the rent covering any costs. The tenants have now given notice and expect to leave by October 2014. This makes it a good time to sell this property as well as there has been an upturn in the market.
- 3.2 The St Ives house is used less frequently for educational visits and the technology is now more common in other buildings. It therefore has served its purpose and can be sold, again while the market is buoyant. As there are visits already planned for several months ahead as part of the DECC funding scheme, it is recommended that the house is advertised for a completion date of March / April 2015.

4. COMMENTS OF OVERVIEW & SCRUTINY PANEL

- 4.1 Overview and Scrutiny Panel (Economic Well-Being) comments will be added when received

5. KEY IMPACTS/RISKS? HOW WILL THEY BE ADDRESSED?

- 5.1 Selling the properties will stop all revenue costs for the sites such as rates and utility bills and give capital receipts
- 5.2 The MTP shows an expected total income from both properties of £415,000. Until these are marketed and sold it is not known what income will actually be achieved.

6. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

- 6.1 Prices and specifications will be sought for at least 3 local estate agents for the sale of the properties with the most economically advantageous being chosen.

6.2 The St Neots house will be marketed by local estate agents as soon as possible and the best offer accepted.

6.3 The St Ives house will be advertised in several months time so that the purchase can be completed in March/April 2015 when all appointments have been completed. Again the best offer will be accepted.

7. LINK TO THE LEADERSHIP DIRECTION

7.1 This proposal will provide capital receipts for the council as required in Facing the Future.

8. LEGAL IMPLICATIONS

8.1 The houses are owned by the council and this will put the properties back as residential in private ownership. This will be done via the normal legal land sale process.

9. RESOURCE IMPLICATIONS

9.1 By the time these properties are sold, over the lifetime of this project, the net:

- capital cost is estimated to be £0.136m (see table below).
- revenue costs are £50,000 (controllable) for the period 2009/10 to date.

Net Capital Cost to HDC of the Sale of the Green House Properties	£000
Expenditure	
Capital	
Purchase of two properties (2008)	326
Cost of works to houses including fees	437
Revenue (Not yet paid)	
Estate Agent Fee estimated (*) – costs of sale	5
Total Expenditure	768
Income	
Grant Funding	(172)
Capital Receipt	
Present estimated sale value of properties	(460)
Total Income	(632)
Net Expenditure	136
* Accounting regulations permit the setting off of the costs of sale.	

9.2 At this time the Medium Term Financial Strategy includes a capital receipt of £0.415m. If a sale price of £0.460m is achieved, after allowing for the costs of sale (£5,000) this would be a net gain of £40,000; however it should be noted:

- that the sale price is only an estimate.
- all such capital receipts will be held to support the financing of future capital expenditure.

9.3 The sale will be carried out using external estate agents as per quotations yet to be received and the property transfer will be carried out by the Legal team.

10. REASONS FOR THE RECOMMENDED DECISIONS

10.1 The properties have served their need as examples of good energy saving principles, but are now visited less often.

10.2 A capital receipt for the council would be of benefit in the short term.

BACKGROUND PAPERS

Previous Cabinet reports

CONTACT OFFICERS

Name/Job Title **Chris Jablonski, Environment Team Leader**
Tel No. **☎ 01480 388368**