

## **WILTSHIRE COUNCIL**

### **CABINET (CAPITAL ASSETS) COMMITTEE**

**18 January 2012**

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**Subject: Properties at 32 & 34 Bath Road, Warminster**

**Cabinet member: Councillor Toby Sturgis – Waste, Property, Environment and Development Control Services**

**Key Decision: No**

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#### **Purpose of Report**

1. To ask the Committee to consider an opportunity to negotiate to acquire properties adjacent to Council-owned land at Warminster Highways Depot, with a view to improving future prospects for redevelopment of the highways depot function on its existing site.

#### **Background**

2. Warminster Highways Depot is located off Bath Road, with access served from Furnax Lane. The full cartilage of the site contains salt storage, vehicle workshops and a household waste recycling centre. The Council's buildings are in a very poor state of repair and the salt storage provision is uncovered, contrary to best environmental practice.
3. The household waste recycling centre has been recently constructed, having been relocated from a poorly accessible location on Furnax Lane.
4. Two privately-owned semi-detached residential properties (32 and 34 Bath Road) are land locked by the Council's land holdings, as indicated on the plan at Appendix A. These properties enjoy a right of access across the Council's land.
5. The presence of these two properties significantly hinders the Council's opportunities for redevelop the depot site to address issues of building condition and suitability, or to construct a salt barn to address environmental concerns related to uncovered salt storage.

#### **Main Considerations for the Council**

6. It is proposed that the Council negotiate to acquire the two properties at 32 and 34 Bath Road, to enable greater flexibility of the whole site, to deliver improved and rationalised depot functions over time.

7. This report does not seek authority for the development of the depot site, which would be subject to further consideration in conjunction with a wider review of public sector depot functions across the County.
8. Preliminary discussions with the owners of the two properties over a period of time has indicated an opportunity to acquire one property now, and to achieve vacant possession of the property. If this opportunity is not taken, the owner has indicated the intention to carry out certain works to the property to make it fit for rental on the private market. This would make subsequent acquisition significantly more difficult. The second property owner is also willing to sell at this point in time, subject to further negotiation over terms.
9. The property values are contained within the confidential appendix for discussion in Part 2 of the meeting. However, it is considered that the additional value provided to the site in monetary terms, would balance the cost of acquisition of the two properties. However, it would bring with it supplementary benefits related to the Council's ability to develop the whole site for depot re-provision in the future.

### **Environmental and climate change considerations**

10. The proposal would enable the Council to address the environmental concerns presented by the open-air storage of salt, through the ability to construct a new salt barn on the site.
11. The proposal could enable more environmentally sustainable new buildings to be developed on the site in replacement of the poor condition existing building stock.

### **Equalities Impact of the Proposal**

12. None.

### **Risk Assessment**

13. There is a risk that one or both owners may be unwilling to sell their property to the Council, or that their expectation of price exceeds the Council's valuation of the property. This will be managed through the negotiation process, using a robust valuation methodology to justify the Council's value for the properties.

### **Financial Implications**

14. The acquisition of these two properties is recommended on the basis that the cost of acquisition will be off-set by the additional (marriage) value provided to the remainder of the Council's retained land.

15. Negotiations will be structured around providing a cost neutral position, at a minimum, over the lifetime of the depot reorganisation project.
16. Upfront capital funding is requested to enable the acquisition to be completed, this will have revenue consequences due to the revenue cost of borrowing. These figures are shown in the Part 2 appendix, and would be incurred annually until the site was sold in a future year. These costs would be charged to the Transformation programme via a virement of base budget from that service to the Capital financing budget held within Corporate headings.

### **Legal Implications**

17. The acquisition of the properties would be subject to the normal pre-contract legal enquiries and due diligence.

### **Conclusions**

18. The acquisition of 32 & 34 Bath Road, Warminster would provide opportunities to the Council for future development of the Council's depot functions on its existing site, but would also add value to the unified landholding estimated to be equal to the value of the subject properties, based on pragmatic valuation principles.

### **Proposal**

19. That Cabinet (Capital Assets) Committee authorise the appropriate Corporate Director to approve the acquisition of properties at 32 & 34 Bath Road, Warminster, with reference to the Cabinet Member for Waste, Property Environment and Development Control Services, and following satisfactory negotiations with the property owners.

### **Reason for Proposal**

21. To facilitate potential future development of the Council's existing depot site at Furnax Lane, Warminster, without the constraints currently imposed by the two subject properties.

**Dr Carlton Brand**  
**Director of Resources**

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16 December 2011

### **Background Papers**

The following unpublished documents have been relied on in the preparation of this report:

None

### **Appendices**

Appendix A – Site plan  
Part 2 Appendix – Valuation and notes.

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