

**POLICE AND CRIME COMMISSIONER FOR
WEST MERCIA**



RECORD OF DECISION

TITLE: Sale of former Pontesbury Police Station, 1 Minsterley Rd, Pontesbury, Shropshire, SY5 0QH

Ref: PCC/D/2022/

EXECUTIVE SUMMARY

The asset formerly used as Pontesbury Police Station, located on 1 Minsterley Rd, Pontesbury, Shropshire, SY5 0QH has been identified as surplus to requirements and marked for disposal.

Through a competitive tendering exercise, OPCC Estates appointed marketing agents to advertise the property on the open market and assist with obtaining best value from this sale.

A business has since expressed interest and after viewing the premises has submitted an unconditional cash offer for the property at £240,000. This is at the top end of professional valuations and the PCC is advised to accept this offer.

PROPOSAL

The PCC approve the disposal of the former Pontesbury Police Station to the interested party for the value of £240,000 on an unconditional cash payment basis.

The PCC approve payment of the fee of the appointed agents for this sale. This will be 1% of the sale price, exclusive of VAT.

The PCC approve payment for West Mercia's legal fees of up to £3,000 for the conveyance of the asset.

**APPROVAL OF
West Mercia Police and Crime Commissioner**

I hereby approve the above proposal.

Signed: 

PART 1 – NON-CONFIDENTIAL/EXEMPT FACTS AND FIGURES

SUPPORTING REPORT

The freehold title of the land at Pontesbury was purchased in March 1966. Two link-detached houses and three garages detached from the properties were built in 1967 and served as residential accommodation for Police staff until 1996.

A change of use permission was received for No.2 Police Houses, Minsterley Road, Pontesbury, Shropshire, SY5 0QH. The property was sold off to a private individual, along with one of the three garages on site, and has been used as a dwelling since. As a part of the sale, multiple covenants have been included in the deeds to set out the rights and responsibilities of each party in connection with the joint vehicular access.

No.1 Police Houses, Minsterley Road, Pontesbury, Shropshire, SY5 0QH was refurbished and retained by West Mercia Police and used as Pontesbury Police Station until May 2021. The property is now void and police personnel have relocated to the Community Hub Building, The Pavilion, Hall Bank, Pontesbury, SY5 0RF and are now co-locating with Pontesbury Parish Council. Rachel Hartland Lane has confirmed that the Force support the sale of this asset.

Via a tender exercise, OPCC Estates appointed local marketing agents to value the property and market the disposal. The agents consider the asset has potential to be used as a commercial or as a dwelling. The agents advised in their tender, that the value of the former police station would depend on the intentions for future use of the asset as summarised below:

1. Office/community/medical (commercial use) - £175,000
2. Residential Conversion - £250,000
3. Residential Development Site (assuming two residential development plots being semi-detached houses and the demolition of the existing property structure) - £200,000

After advertising on the open market, a business has expressed interest and after viewing the premises have submitted an unconditional cash offer for the property at £240,000. They also provided the appropriate and validated proof of available funds and requested completion to take place on or before 1st November 2022. The offer is in line with upper value estimates provided by the agents during the tender process.

As the offer is unconditional, this significantly reduces the time required to complete the conveyance. For example, the PCC will not be required to await the outcomes of any planning permissions submitted by the purchaser nor any need to invest any funds into change of use applications. This is also advantageous in respect of any market volatility and will help secure best value for the asset on behalf of the public.

It is therefore considered that an expedited, unconditional cash sale at £240,000 obtains best value.

The PCC will also make a saving by transferring the responsibilities for keeping the property safe, secure and compliant. Building fabric deterioration will be avoided, along with the payment of business rates on this void premises.

Moreover, the purchaser is acquiring the asset with the two garages and is aware of the restrictive covenants on the land to the front of the property. There would be no further requirement to engage with the owners of No.2 Police Houses, Minsterley Road, Pontesbury, Shropshire, SY5 0QH in order to negotiate and attempt to obtain a better position on the restrictive covenants.

After the completion of the sale, the PCC and West Mercia Police will retain no interest in the property.

STRATEGIC CONSIDERATIONS

This decision supports the following element(s) of the Safer West Mercia Plan:

- Putting Victims and Survivors First Building a More Secure West Mercia
 Reforming West Mercia Reassuring West Mercia's Communities

The decision supports the above listed objectives through the following:

- Obtaining best possible capital receipt from the sale of the asset, that can be reinvested to support delivery of policing services
- Ensuring better resource management by maximising value, effectiveness, efficiency to meet demand.

BENEFITS AND THEIR REALISATION

Benefits include:

- Maximised capital receipt from the disposal of the asset that is No.1 Police Houses, Minsterley Road, Pontesbury, Shrewsbury, SY5 0QH
- Mitigation of risk from unbudgeted maintenance costs – This asset has been void for approximately 1.5 years and there is a risk of the building fabric deteriorating and requiring repair works which are not in the planned programme.
- Mitigation of risk from liability claims – The non-operational void asset has now become a liability. Due to the lack of daily presence on site, there is a higher risk of people trespassing, vandalising or squatting in the premises.

AUTHOR

Name Chris O'Hara

Date 14/10/22

FINANCIAL AND TREASURER COMMENTS

It is considered that an expedited sale (to be completed before the 01 November 2022) at £240,000 represents good value to the PCC.

The offer price is close to the top valuation assessment that the Estate Agent provided for the asset and has been made without the PCC being required to facilitate a change of use planning application, amending covenants or accepting having to make any building alternations.

The sale will limit the PCC's liability for the continued maintenance or compliance requirements associated with the condition of the current building. Disposal of the police station asset will realise annual revenue operating cost savings of circa £14k and annual Business Rates savings of £3,143.

Delaying the decision will allow further time to 'test the market' and identify whether further potential purchases which may achieve a higher offer, but there is no guarantee of this.

Given the offer is towards the top estimate and it removes the liability the recommendation is to proceed with the sale.

The fee of the appointed agents for this sale will be 1% of the sale price, exclusive of VAT - £2,400. The budget for the marketing of the asset was £675 exclusive of VAT and this amount has already been paid.

Warwickshire Legal Services have provided an initial estimate for the conveyancing process between £1,500 and £3,000. The exact price will be dependent upon the extent of due diligence undertaken by the buyer's solicitors.

The expenditure will for part of the cost of sale and be offset against the capital receipt received.

Treasurer



Signature

Date 14/10/22

LEGAL CONSIDERATIONS

By virtue of schedule 11, paragraph 14 of the Police Reform and Social Responsibility Act 2011 the Police and Crime Commissioner may do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of commissioner. That includes entering into contracts and other agreements

(whether legally binding or not) and acquiring and disposing of property (including land).

PUBLIC ACCESS TO INFORMATION

Information in this form is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation. Part 1 of this form will be made available on the West Mercia Commissioner's website. Any facts and advice that should not be made automatically available on request are not included in Part 1 but instead in a separate Part 2 report.

OFFICER APPROVAL

Chief Executive Officer



Signature

Date 14/10/22