

OFFICER DECISION MAKING

Wednesday, 16th January,
2013 at 9.00 am

PLEASE NOTE TIME OF MEETING

Office of the Senior Manager - Property, Procurement and Contract Management

This meeting is not open to the public

Decision Maker

Senior Manager – Property, Procurement and
Project Management

Contacts

Democratic Support Officer

Name: Ed Grimshaw

Tel: 02380 832390

Email: ed.grimshaw@southampton.gov.uk

AGENDA

Agendas and papers are available via the Council's website

1 DISPOSAL OF 70-72 PORCHESTER ROAD

Report of the Property Asset Manager – Property and Procurement seeking authority for the sale of the Council's freehold interest of 70-72 Porchester Road, attached.

NOTE:

Appendix 2 to this report contains confidential information deemed to be exempt from general publication based on Category 3 of Paragraph 10.4 of the Council's Access to Information Procedure Rules. The appendix includes details of a proposed transaction which, if disclosed prior to entering into a contract, could put the Council at a commercial disadvantage. In applying the public interest test it is not considered appropriate to publish this information as it could influence bids for a property which may be to the Council's financial detriment.

Tuesday, 8 January 2013

HEAD OF LEGAL, HR AND DEMOCRATIC SERVICES

DECISION-MAKER:	SENIOR MANAGER - PROPERTY, PROCUREMENT & CONTRACT MANAGER
SUBJECT:	*DISPOSAL OF 70-72 PORCHESTER ROAD
DATE OF DECISION:	16 JANUARY 2013
REPORT OF:	Property Asset Manager – Property & Procurement

STATEMENT OF CONFIDENTIALITY

Confidential Appendix 2 contains information which is deemed to be exempt from general publication based on Category 3 of Paragraph 10.4 of the Council's Access to Information Procedure Rules. The appendix highlights the recommended reserve price which if disclosed prior to entering into a contract, could put the Council at a commercial disadvantage. In applying the public interest test it is not considered appropriate to publish this information as it could influence bids for a property which may be to the Council's financial detriment.

BRIEF SUMMARY

This report seeks authority for the sale of the Council's freehold interest of 70-72 Porchester Road. The building comprises a single storey building which sits on a plot of land extending to circa 0.34 acre (0.14 ha) in a dense residential area. The premises has been declared surplus to requirements enabling the disposal to form part of the rationalisation of the Councils property portfolio and a capital receipt to be raised. The property which is vacant will be marketed at auction on 13th February 2013 through Fox & Sons auctioneers.

RECOMMENDATIONS:

- (i) Following consultation with Cabinet Member for Resources to approve the sale in event bids are in excess of £500,000.
- (ii) That the Head of Legal; HR & Democratic Services be authorised to enter into any legal documentation necessary in respect of the sale.
- (iii) To note that the capital receipt has already been built into the funding of the current capital programme. Any receipt that differs from the estimates will need to be considered corporately as part of any future prioritisation of resources.

REASONS FOR REPORT RECOMMENDATIONS

1. This freehold property is surplus to requirements and its disposal would realise best consideration and enable the Council to raise a capital receipt.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. Do nothing.
3. The subject property could be retained in Council ownership; however as a vacant building this would have a number of disadvantages including:
 - i. Would not generate a capital receipt
 - ii. There are no Council requirements for this property
 - iii. On-going security risks & maintenance costs

DETAIL (Including consultation carried out)

4. The facility was declared surplus and the building closed in August 2011 (handed back to the Council from Oasis Academy in September 2011).
5. An application was made to the Secretary of State for consent to dispose of both the dining room annexe and the school which was granted under Schedule 35A of the Education Act 1996 in October 2012.
6. The building is dated and the purpose built nature of the property, existing planning status and layout limits its suitability for alternative uses which could result in the property being vacant for an extended period of time resulting in additional expenditure for security.
7. The property is to be sold by auction in February 2013. The value paid is likely to reflect the potential for residential development. It was originally proposed to market the property with the benefit of planning; however it is the view that there is no merit in selling with consent as the costs and benefit of obtaining outline planning consent will not outweigh any additional value over and above that which the site is predicted to sell for without such consent.
8. Once the gavel goes down on the highest bid this constitutes an exchange of contract at auction; this property is therefore on the Forward Plan as an Officer Key decision in the event of a bid in excess of £500,000.

RESOURCE IMPLICATIONS

Capital/Revenue

9. There are no revenue implications arising from the sale of the property, as a vacant building it does not bring in any income and is no longer required by the Council.
10. The sale of the site will realise a 100% receipt to the General Fund which has already been built into the funding of the current capital programme. Any receipt that differs from the estimates will need to be considered corporately as part of any future prioritisation of resources.
11. The auction sale contract conditions will require completion on 13th March 2013

Property/Other

12. If the sale of the property does not proceed or is delayed, this will result in ongoing security & maintenance costs.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

13. Section 233 Town & Country Planning Act 1990.

Other Legal Implications:

14. The Senior Manager-Property, Procurement & Contract Management has delegated powers to negotiate and approve the terms of the sale as outlined in paragraph 2.8.15 (c) Part 10 of the Officer Scheme of Delegation after consultation with the relevant Cabinet Member. The Cabinet Member for Resources has accordingly been consulted and agreed to this sale.

POLICY FRAMEWORK IMPLICATIONS

15. The proposal set out in this report is not contrary to any policy implications. The disposal of a council property for a capital receipt supports the Councils capital programme.

AUTHOR:	Name:	Bronwyn Dunning	Tel:	023 8083 2385
	E-mail:	bron.dunning@capita.co.uk		

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	none
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SUPPORTING DOCUMENTATION

Appendices

1.	Site Plan: V 3147
2.	Confidential Appendix – Auction Reserve Price

Documents In Members' Rooms

1.	None
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Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	Yes/No
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Other Background Documents

Equality Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	None	
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Agenda Item 1

Appendix 1



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	Capita Symonds Property Services Valuation & Estates One Guildhall Square Southampton SO14 7FP	Date: 09/10/2012	Scale: 1:1,250	
	Plan Title: V3174	Property Address: 70-72 Porchester Road, Woolston, Southampton, SO19 2JD		

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Document is Confidential

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