

DECISION-MAKER:	CABINET		
SUBJECT:	*PROPERTY AUCTION SALES		
DATE OF DECISION:	15 APRIL 2014		
REPORT OF:	CABINET MEMBER FOR RESOURCES		
<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY

Confidential Appendix 4 contains information deemed to be exempt from general publication by virtue of category 3 to paragraph 10.4 of the Councils Access to Information Procedure Rules as contained in the Constitution. Publication of this information could influence bids for the property which may be to the Council's financial detriment.

BRIEF SUMMARY

Derby Road Contact Centre, 46 Peartree Avenue and 1 Sutherland Road are being vacated and are surplus to Council requirements. It is proposed that the properties be sold at auction.

RECOMMENDATIONS:

- (i) To approve the principle of the sale by auction of:
Former Derby Road Contact Centre, 169-193 Derby Road
Former Bitterne Family Centre, 46 Peartree Avenue
Former Forest View Family Centre, 1 Sutherland Road
- (ii) Delegate authority to the Head of Property and Procurement to approve the reserve prices
- (iii) To confirm that the appointed auctioneer be authorised to sign the contract for sale immediately after the auction
- (iv) To authorise the Head of Property and Procurement to undertake all ancillary matters to give effect to this resolution
- (v) To note the estimated value of the capital receipt from these disposals has already been built into the funding of the capital programme. Any receipts that differ from the estimates will need to be considered corporately as part of any future prioritisation of resources

REASONS FOR REPORT RECOMMENDATIONS

1. The properties are to be vacated and there is no service need for them. They are therefore surplus to Council requirements.

2. Providing there is competitive bidding at the auction and the reserve is met, a sale at auction will achieve the earliest completion of the sale and achieve the statutory criteria of being the best consideration reasonably obtainable.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 3 The properties could be marketed by private treaty. This is considered to be a less certain way of achieving an unconditional sale for the property.

DETAIL (Including consultation carried out)

4. 169-193 Derby Road, 46 Peartree Avenue and 1 Sutherland Road are properties formerly occupied by the People's Directorate and used by the Behaviour Resource Service, Specialist Assessment Team and Supervised Contact Scheme. Following the closure of 315 Coxford Road in December 2012 due to significant health and safety issues, a feasibility study concluded that the most cost effective and efficient option was to refurbish and reopen 315 Coxford Road and to amalgamate services carried out in the three other buildings into 315 Coxford Road. The capital expenditure to carry out the works was approved by Cabinet and Council in November 2013. Refurbishment works are scheduled to be completed by the 31 March 2014 and vacation of the three properties by 30 April 2014.
5. No other service need had been identified for the properties to be vacated and they are therefore surplus to Council requirements. It is considered that the most appropriate method of sale is by way of auction. Delegated authority is sought to agree the final reserve price. This will allow the final reserve to be determined in response to market interest. The estimated values of the properties are set out in Confidential Appendix 4.

RESOURCE IMPLICATIONS

Capital/Revenue

6. The sale of these properties will realise a 100% receipt to the General Fund which has already been built into the funding of the current capital programme. This assumed that the sales would complete in 2014/15. Any receipt that differs from the estimates in terms of value and timing will need to be considered as part of any future prioritisation of resources.
7. As reported in February 2014 the capital programme is fully funded based on the latest forecast of available resources although the forecast can be subject to change; most notably with regard to the value and timing of anticipated receipts.
8. Any revenue costs associated with maintaining the properties until disposal such as rates, security etc will be covered within the existing 2014/15 budgets for Tier 3 Family Support within the Children's Services Portfolio. Any delay in the sale of these properties would create a pressure on this budget until completion.

Property/Other

7. There are no service requirements for the retention of the properties. If the sales do not proceed or are delayed, this will result in ongoing maintenance and security costs.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

8. Section 123 Local Government Act 1972

Other Legal Implications:

9. None

POLICY FRAMEWORK IMPLICATIONS

10. 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.

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	Bevois, Peartree, Coxford
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SUPPORTING DOCUMENTATION

Appendices

1.	Site plan- Derby Road
2	Site Plan – Peartree Avenue
3.	Site Plan – Sutherland Road
4.	Estimated Values - Confidential

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.	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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