

## ITEM NO: 32

<b>DECISION-MAKER:</b>	CABINET		
<b>SUBJECT:</b>	THE PRINCIPLE AND DETAILED TERMS OF PROPERTY DISPOSALS UNDER THE PROPERTY DISPOSALS PROGRAMME		
<b>DATE OF DECISION:</b>	15 MARCH 2010		
<b>REPORT OF:</b>	CABINET MEMBER FOR RESOURCES & WORKFORCE PLANNING		
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### STATEMENT OF CONFIDENTIALITY

Confidential Appendix 1 contains information deemed to be exempt from general publication by virtue of Category 3 of paragraph 10.4 of the Council's Access to Information Procedure Rules as contained in the constitution. Publication of this information could influence bids for a property which may be to the Council's financial detriment.

### SUMMARY

This report seeks Members' approval to the provisionally agreed terms for disposal of the two properties set out in confidential Appendix 1.

### RECOMMENDATIONS:

- (i) To approve the provisionally agreed terms for the disposal of 1A-11 Bursledon Road and 6-18 Empress Road as set out in Confidential Appendix 1.

### REASONS FOR REPORT RECOMMENDATIONS:

1. The properties are considered surplus to Council requirements and therefore subject to consideration for disposal. Disposing of these properties supports the rationalisation of the Council's Property Portfolio and enables the Council to raise Capital Receipts.

### CONSULTATION:

2. Consultation has been undertaken with officers throughout the City Council to establish whether the properties are required for any other Council use. This process also included consultation with the Local Strategic Partnership to assess any specific property needs. It has also been established that neither of these properties are held for strategic purposes and are not required for any major City Centre development or for regeneration.

### ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:

3. The properties could be retained in Council ownership which could have a number of disadvantages including:
  - This would not generate a Capital Receipt.
  - Lead to retention of poor performing/management intensive properties.

- There are no Council requirements for the properties.

**DETAIL:**

4. Reports are made regularly to Cabinet to consider releasing surplus operational or investment properties. These reports all support the Council's Corporate Property Strategy which was approved at Cabinet on 20<sup>th</sup> April 2009. This report seeks to obtain authority for disposal of properties as a result of implementing this strategy.
5. Neither of these properties are operational properties. Only half of 6-18 Empress Road is let at an open market rent the other half is vacant. Bursledon Road is let on a ground lease expiring in 2113. Both properties are held in the Resources Portfolio Investment Property Account. If a service area has no further requirement for a particular property then other service areas will consider whether there is any future Council requirement for it. If there are no requirements the Council will consider it surplus and seek approval for disposal.
6. 1A - 11 Bursledon Road is owned by the council and let on a ground lease, which is currently on the market. The premises were previously used as a car showroom and forecourt. Terms have been provisionally agreed for the disposal of the Council's freehold and the proposed purchaser has provisionally agreed to acquire the tenant's interest. The intending purchaser, a building contractor, is new to the city and intends to use the site for their own purposes as offices with car parking.
7. 6-18 Empress Road is a poor quality single industrial unit split into two areas, one of which is occupied by the proposed purchaser, whilst the other half is vacant following the previous tenant going into administration and now producing no rent. Following a period of marketing there has been no interest except from the adjoining occupier who wishes to acquire the freehold. Ownership would provide them with the opportunity to expand their business. This is a management intensive property for the Council.
8. These disposals are being brought forward now for the following reasons: Both of the proposed disposals will be to locally based companies who will operate their businesses from the premises, providing opportunities for them to expand and provide additional employment locally. Both offers are recommended for acceptance.

**FINANCIAL/RESOURCE IMPLICATIONS:**

**Capital**

9. The properties to be sold included in The General Fund would generate 100% usable Capital Receipts.

**Revenue**

10. There are no significant revenue implications arising from the sale of the properties. They do not bring in a substantial income, and are considered suitable for disposal. The financial gain from disposal more than outweighs the loss in annual rental income.

## **Property**

11. The properties are recommended for disposal including the disposal of 1A-11 Bursledon Road and 6-18 Empress Road for which terms are provisionally agreed and for which approval is sought to the detailed terms in Appendix 1.

## **Other**

12. None

## **LEGAL IMPLICATIONS:**

### **Statutory power to undertake proposals in the report:**

- 13 Bursledon Rd 01A – 11 – Town & Country Planning Act 1971 pt 6  
Empress Road, 6 – 18 Site A and B – Town & Country Planning Act 1990

## **POLICY FRAMEWORK IMPLICATIONS:**

- 14 The proposals set out in this report are not contrary to any policy implications. The Capital Receipts from the sale of service properties are used to finance the Council's Capital Programme and therefore form part of the Council's overall budget and policy framework.

## **SUPPORTING DOCUMENTATION**

**Non-confidential appendices are in the Members' Rooms and can be accessed on-line**

### **Appendices**

1. Detailed terms for disposal of 1A-11 Bursledon Road and 6-18 Empress Road - Confidential
2. Plans  
Plan: V2638 : Empress Road 6 -18 Site B  
Plan: V2639 : Empress Road 6-18 Site A  
Plan: V2644 : Bursledon Road 001A - 011

### **Documents In Members' Rooms**

1. None

### **Background Documents**

Title of Background Paper(s) Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1. None

**Background documents available for inspection at:** N/A

**KEY DECISION?** Yes

<b>WARDS/COMMUNITIES AFFECTED:</b>	Bevois Ward, Peartree Ward
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