

DECISION-MAKER:	CABINET		
SUBJECT:	SALE OF VILLIERS ROAD DEPOT AND LAND AT SOUTHERN ROAD		
DATE OF DECISION:	15 DECEMBER 2015		
REPORT OF:	LEADER OF THE COUNCIL		
<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY

Confidential Appendix 3 contains information deemed to be exempt from general publication by virtue of category 3 the Council's Access to Information Procedure Rules. Publication of this information prior to entering into a legal contract could put the Council at a commercial disadvantage.

BRIEF SUMMARY

Housing are intending to vacate Villiers Road Depot which will release the site for sale. Hampshire Police Authority are also looking to sell the adjacent disused Shirley Police Station. The opportunity arises to collaborate with the Police, who wish to purchase the site in Southern Road adjacent to their headquarters, to sell the combined depot and police station site and realise an enhanced capital receipt for the Council.

RECOMMENDATIONS:

	(i)	To approve the sale of the Villiers Road Depot and land at Southern Road as shown in Appendices 1 and 2;
	(ii)	To delegate authority to Head of Property to agree the final price and other terms with the proposed purchasers and in the event that the offers are withdrawn or no longer remain best consideration to agree terms with an alternative purchaser and to continue such process as necessary, including re-marketing the property if necessary; and
	(iii)	To authorise Head of Property to take any further action necessary to give effect to this decision.

REASONS FOR REPORT RECOMMENDATIONS

1.	There is no service or strategic need for retention of the properties. Their sale will generate a significant capital receipt.
2.	Sale of the Southern Road site will assist the Hampshire Police Authority in its future operations to the benefit of Southampton.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3.	Market the sites on the open market rather than dealing exclusively with the Police and the proposed purchaser of Shirley depot and police station. This is
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	not recommended because it is considered highly unlikely that the capital receipt will be bettered and a marketing process will extend the date by which a completion can be achieved and bring added uncertainty into the process.
DETAIL (Including consultation carried out)	
4.	The Villiers Road Depot is currently occupied by the Housing Operations and Housing Investment teams. These teams are to be relocated from the depot. Once contracts are exchanged, the Council will be committed to giving up possession by the contractual completion date which will be the date the contract conditions are satisfied. This could be June 2016. Arrangements are being put in place to meet this timetable but if there is any delay the Council is at risk of having to secure alternative accommodation at very short notice in order to meet the contractual completion obligations.
5.	Immediately adjacent to the depot is Shirley Police Station. This is surplus to Hampshire Police Authority's requirements and has been marketed for sale. Subsequently, an offer has been received from a third party for the purchase of both the police station and the depot. This offer is conditional on planning permission being granted for the proposed scheme and purchaser's due diligence.
6.	Following negotiations with both the Police and the proposed purchaser, terms have provisionally been agreed for the joint sale by the Council and the Police of the depot and police station to the proposed purchaser and the linked sale to the Police of the Council's land in Southern Road adjacent to the police headquarters. The Southern Road site is currently let to the Police on a lease expiring on 12 August 2018.
7.	The proposed sale terms are set out in Confidential Appendix 3.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
8.	Current income from the letting of the Southern Road site to the Police, which would terminate on completion of the sale, is £35,000 per annum. The proposed investment property income estimates assume that this will be received in 2016/17.
9.	The proposed sale prices of both the Villiers Road and Southern Road Sites will give a capital receipt in excess of that currently assumed in the forecast level of receipts in 2016/17. Any increase over that already assumed will be taken into account when reviewing future capital programme financing.
<u>Property/Other</u>	
10.	There are no service requirements for the properties.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
11.	The powers of sale are Section 123 Local Government Act 1972 and Section 233 Town and Country Planning Act 1990. Best Consideration will be achieved if the sale price is realised.
<u>Other Legal Implications:</u>	
12.	None.

POLICY FRAMEWORK IMPLICATIONS

13.	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 Council's capital programme.
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KEY DECISION?	Yes
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WARDS/COMMUNITIES AFFECTED:	Millbrook, Freemantle
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SUPPORTING DOCUMENTATION**Appendices**

1.	Location Plan – Shirley Depot and Police Station
2.	Location Plan – Land adjoining Police Station, Southern Road
3.	Heads of Terms – Confidential appendix

Documents In Members' Rooms

1.	None
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Equality Impact Assessment

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
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Privacy Impact Assessment

Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.	No
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Other Background Documents**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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