

<b>DECISION-MAKER:</b>	CABINET
<b>SUBJECT:</b>	DISPOSAL OF LAND AT 512 PORTSMOUTH ROAD SHOLING, SOUTHAMPTON
<b>DATE OF DECISION:</b>	5 SEPTEMBER 2011
<b>REPORT OF:</b>	CABINET MEMBER FOR RESOURCES, LEISURE AND CULTURE
<b>STATEMENT OF CONFIDENTIALITY</b>	
None	

### **BRIEF SUMMARY**

This report seeks authority for the sale of the Council's freehold interest in 512 Portsmouth Road. The property - a food warehouse, was acquired by the City Council in August 2009, to facilitate the redevelopment of the former Grove Park School site for the new Oasis Academy Mayfield. The food warehouse on the site has been demolished and a section of land has now been redeveloped to provide the new public highway into the Academy. The remainder of the site is now clear of all buildings and is currently being used as a secure compound in association with the Academy Build Programme by Carillion. The site is ready to be marketed enabling a disposal as the completion of the Academy approaches.

### **RECOMMENDATIONS:**

- (i) To approve the principle of the sale of the Council's freehold interest.
- (ii) To delegate authority to Head of Property and Procurement following consultation with the Executive Director for Corporate Services and the Cabinet Member for Resources, Leisure and Culture to approve the preferred bidder, agree terms of the sale and carry out all ancillary matters to enable disposal of the site.

### **REASONS FOR REPORT RECOMMENDATIONS**

1. To facilitate the redevelopment of a surplus site identified for employment uses in the City's Local Planning framework, thereby delivering regeneration of a property within an established industrial estate.
2. To realise a capital receipt.

### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

3. Do nothing. While the property is utilised as a site compound for Carillion in association with the build programme for Oasis Academy Mayfield the property could be held for sale at a later date. Marketing at the point of vacancy will result in a prolonged period of void management which will incur costs for the Council and increase the risk of unauthorised occupation. Marketing the site early will mitigate the void period with ability to secure a purchaser at the point of vacancy by Carillion.
4. Retain the property – The property is surplus to the Council requirements, the acquisition enabled site assembly to deliver the Academy programme.

## **DETAIL (Including consultation carried out)**

5. 512 Portsmouth Road when acquired in August 2009 comprised of a chilled and frozen food warehouse, with ancillary parking and offices. The property now comprises of a cleared site following the demolition of the food warehouse building in June 2010 as part of the Academy Design and Build construction programme.
6. A proportion of the southern boundary of the site has been redeveloped to provide a new access road into the new Oasis Mayfield Academy, leading directly off from Ashley Crescent. The new access road will be a public highway following completion of the Academy. The property is currently being used by Carillion Plc as the construction compound in association with the build programme at the Academy site.
7. The site when acquired in August 2009 comprised 0.75 acres (0.30 Hectares) the construction of the Academy access road has reduced the site to 0.61 acres (0.24 hectares).
8. Following the vacation of the Academy's contractors Carillion Plc the site will be a cleared site capable of being redeveloped subject to securing planning consent. The surplus site is shown on the plan V3182 in Appendix 1.
9. 512 Portsmouth Road occupies a prominent corner position on Portsmouth Road and Ashley Crescent industrial estate with good road frontage onto Portsmouth Road.
10. The property is safeguarded in the Local Adopted Plan for Industry and Warehousing as part of the Ashley Crescent Industrial Estate. The Adopted Core Strategy has retained this safeguarding employment policy. The Core Strategy Policy CS7 Safeguarding Employment Sites promotes retention of all existing employment sites until the new DPD Development Plan site allocation is produced in 2014.
11. The site is suitable for redevelopment for warehousing and light industrial uses and potential alternative uses including Motor trade. The site is to be marketed without the benefit of outline planning consent seeking offers on a conditional basis and inviting bids on the basis of the bidder securing planning approval for redevelopment.
12. The early marketing of the site will enable the Council to secure a preferred bidder in early 2012, with a view to completing a sale in late 2012, following vacation of Carillion and the bidders requirements to secure planning approval to redevelop the property.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

13. The capital receipt will be allocated to the General Fund.
14. To note that the capital receipt will be used to reduce the current funding deficit in the capital programme.
15. The property has been opted to tax and VAT will be due on the sale proceeds. The property was opted at the point of purchase due to the VAT implications of the Academy Build programme.

**Property/Other**

15. The property is currently subject to occupation of Carillion Plc as a site compound in accordance with the terms of the Design and Build Development Agreement between Southampton City Council, Oasis Community Learning and Carillion Plc. The Council will not be able to complete the sale until Carillion have completed the development and vacated the site. Carillion are due to vacate in September 2012.

**LEGAL IMPLICATIONS**

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

16. The relevant power of disposal is Section 123 of the Local Government Act 1972.

**Other Legal Implications:**

17. None.

**POLICY FRAMEWORK IMPLICATIONS**

18. The disposal of a Council property for a capital receipt supports the Councils capital programme.

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**KEY DECISION?** Yes/No

<b>WARDS/COMMUNITIES AFFECTED:</b>	Sholing
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**SUPPORTING DOCUMENTATION**

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

1.	Plan V3182.
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**Documents In Members’ Rooms**

1.	None
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**Integrated Impact Assessment**

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	<b>Yes/No</b>
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**Other Background Documents**

**Integrated 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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