

<b>DECISION-MAKER:</b>	HEAD OF PROPERTY		
<b>SUBJECT:</b>	DISPOSAL OF 182 HIGH STREET - APPROVAL TO DETAILED TERMS		
<b>DATE OF DECISION:</b>	19 JUNE 2013		
<b>REPORT OF:</b>	PROPERTY ASSET MANAGER		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	David Reece	<b>Tel:</b> 023 8080 2796
	<b>E-mail:</b>	david.reece@southampton.gov.uk	
<b>Director</b>	<b>Name:</b>	Rodger Hawkyard	<b>Tel:</b> 023 8083 2282
	<b>E-mail:</b>	rodger.hawkyard@southampton.gov.uk	

#### **STATEMENT OF CONFIDENTIALITY**

Confidential Appendix 2 to this report contains 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 a table showing the rental income and values of property which, if disclosed prior to entering into any contracts, 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**

The report seeks approval to the disposal of 182 High Street freehold investments at not less than the minimum price set out in the confidential appendix.

#### **RECOMMENDATIONS:**

- (i) to approve the principle of the disposal of the Council's freehold investment at 182 High Street.
- (ii) to approve the disposal to the preferred bidder following consultation with the Cabinet Member for Resources at not less than the minimum price set out in the confidential appendix, and to subsequently negotiate and carry out all ancillary matters to enable disposal of the sites.
- (iii) that the Head of Legal, HR and Democratic Services be authorised to enter into any legal documentation necessary in respect of the disposal
- (iv) to note that the estimated value of the capital receipt from this disposal has already been built into the funding of the 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. The delegated authority to the Senior Manager, Property, Procurement and Contract Management to approve land and property disposals is limited to £1,000,000 where this is in consultation with the Cabinet Member for Resources, Leisure and Culture. The disposal is likely to realise in excess of the £500,000 threshold of key decisions.

## **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

2. Do nothing - the opportunity for a significant capital receipt would be lost.

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

3. 182 High Street is let to Canada Life Limited under a 125 year lease from 15 April 1986. The rent is 15% of the annual rent received from the under tenant 99p Stores Limited. The estimated rent for the current financial year is £33,750 pa.
4. Confidential appendix 2 sets out the proposed minimum price expected to be realised for the disposal including a disposal price, over and above which the Head of Property, Procurement and Contract Management in consultation with the Cabinet Member for Resources Leisure and Culture, shall be delegated powers to approve the transactions.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

5. The disposal of the site will realise a 100% capital 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.
6. The disposal of the freehold would result in a £33,750 loss of income per annum to the Resources Portfolio Investment Property Account, the part-year effect of which has already been built into the 2013/14 income estimates. The full year effect of this loss of income will be built in from 2014/15 and ongoing.

### **Property/Other**

7. An initial approach has been made to Canada Life to ascertain their interest in the freehold. If reasonable terms cannot be agreed with the long leaseholders then it is proposed to sell by auction. This will demonstrate that the Council is receiving not less than the best consideration.

## **LEGAL IMPLICATIONS**

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

8. Section 233(1) Town and Country Planning Act 1990 provides that where any land has been acquired or appropriated for planning purposes, the authority may dispose of such land to such person, in such manner and subject to such conditions as appear to them to be expedient in order to secure the best use of that land and any buildings constructed on it.
9. Section 233(3) further provides that the consent of the Secretary of State is only required (for such disposals) where the consideration is less than the best consideration that can reasonably be obtained

**Other Legal Implications:**

10. None

**POLICY FRAMEWORK IMPLICATIONS**

11. The disposal of a Council property for capital receipt supports the Council's capital programme.

**KEY DECISION?** Yes

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

**Appendices**

1.	182 High Street - Plan
2.	Detailed terms (exempt)

**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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