

To: City Executive Board

Date: 7th January 2009 **Item No:**

Report of: Interim Head of Property & Facilities Management

Title of Report: DISPOSAL OF LAND ADJACENT TO 43 BURCHESTER AVENUE, BARTON, OXFORD

Summary and Recommendations

Purpose of report: This report arises from a decision by Executive Board on the 12th September 2005, which approved the disposal and marketing of the land adjacent to 43 Burchester Avenue as shown on the attached plan and amounting to 362 sq metres.

This report outlines the process adopted and makes a recommendation to proceed with the best achievable price.

Key decision? No

Executive lead member: Councillor Ed Turner

Report Approved by: Jeremy Thomas (Legal and Democratic Services)
Steve Sprason (Interim Head of Property & Facilities Management) Dave Higgins (Finance)
Chris Pyle (Oxford City Homes)
Councillor Ed Turner (Improving Housing)

Policy Framework: Corporate Plan - More housing, better housing for all -to meet the Decent Homes Target by 31st December 2010.

Recommendation(s): Executive Board is recommended to approve acceptance of the best offer currently available as detailed in the Confidential Appendix to this report. In the event that the proposed purchaser does not proceed at this level, the Board is requested to permit the Interim Head of Property & Facilities Management to proceed with a sale to any future bidders, at or above open market value.

Background

1. This report follows the 12th September 2005 Executive Board approval to dispose of this land on the open market.
2. A local independent agent was instructed to market the land on the open market in February and March 2007. Following 2 months of marketing, six offers were received, the highest of which was submitted for approval to Executive Board.
3. On 18th June 2007 the Executive Board gave its approval to sell the land at a figure above the then open market valuation detailed in Section 1 of Appendix 1. The recommended purchaser, whose offer was above the figure in Section 1, subsequently withdrew their offer and as such the under bidders were re-approached.
4. In this declining market, potential purchasers have been unwilling to proceed with their offers due to market uncertainty and lack of available bank finance; as such it has been impossible to bring this disposal to a conclusion. Matters are further complicated as the land does not currently have planning permission for residential development. Therefore the offers, which were made, were conditional on planning permission being gained.

Proposal

5. An offer, from a previous under bidder has now been submitted as detailed in Section 2 of Appendix 1 to this report. The purchaser has the funding to proceed and intends to build a scheme of 4 residential flats on the land. These flats will be for re-sale on the open market.
6. This proposed disposal as mentioned in paragraph 4 is subject to planning permission being gained for residential development. With this in consideration, the receipt from this purchase is not likely to be received until the application made by the purchaser has proceeded through the planning approval process. The purchaser has until 1st June 2009 to submit the initial planning application and a long stop date of 1st October 2009 has been created in the contract to ensure there is a final date to bring this matter to a conclusion.

Legal Implications

7. The land is part of HRA assets and consent of the Secretary of State will not be required as this disposal is for the best consideration that can be reasonably obtained under the General Housing Consents 2005 (Consent E.3.1).

Financial implications – reasons for disposal

8. The disposal of this land will represent a significant capital receipt for the City Council and the income will go towards the Decent Homes

Programme, which needs to be completed by 2010. This disposal will also remove the costs associated with holding a vacant piece of land, such as the removal of fly tipping which can create an eyesore for local residents. Despite the current economic climate, along with the downturn in property values, this offer represents an attractive offer in an uncertain market.

Recommendations

9. Executive Board is recommended to approve acceptance of the best offer currently available as detailed in the Confidential Appendix to this report. In the event that the proposed purchaser does not proceed at this level, the Board is requested to permit the Interim Head of Property & Facilities Management to proceed with a sale to any future bidders, at or above open market value.

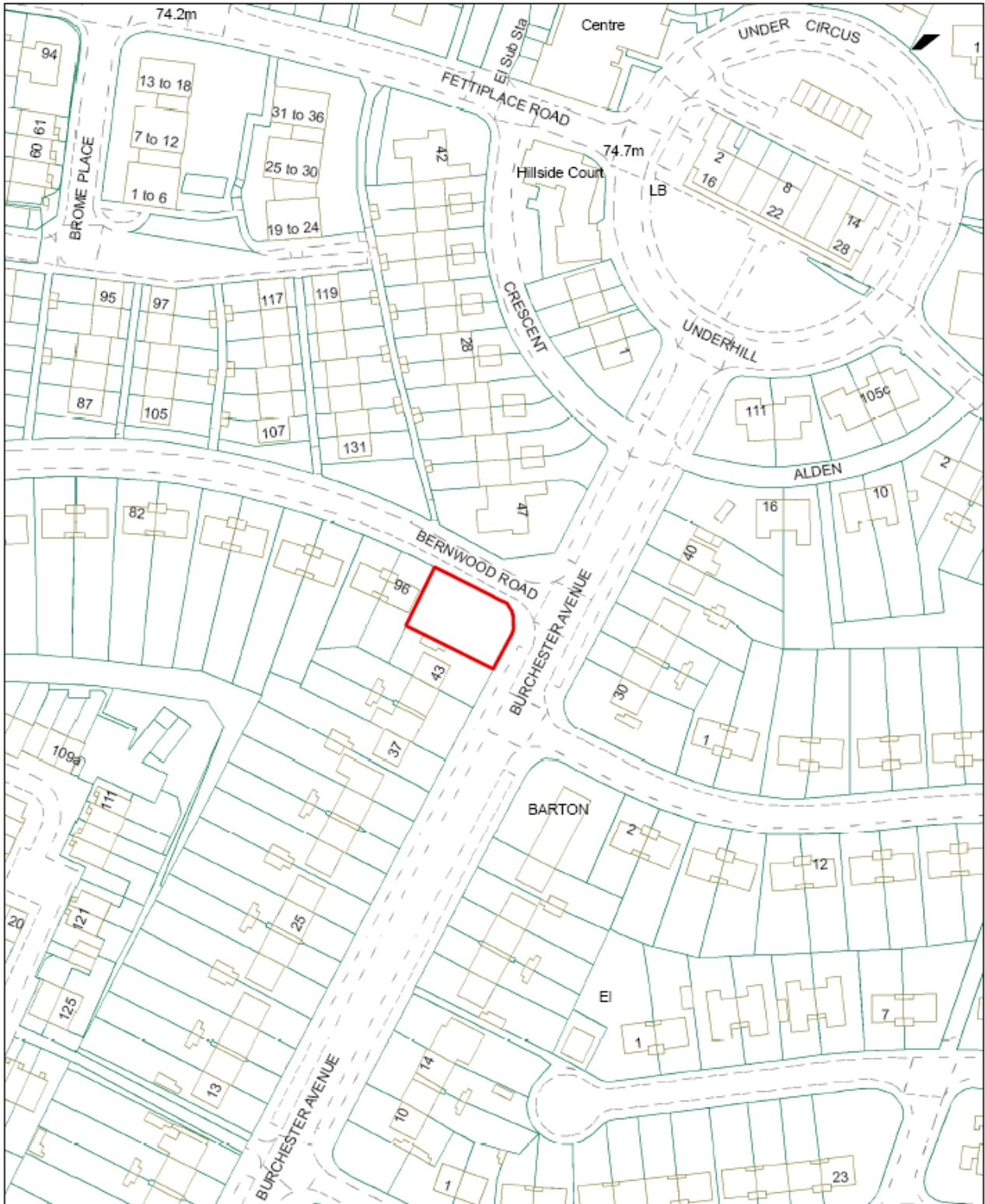
Appendices

10. Appendix 1 (Confidential) – Valuations and Offer Received.

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Background papers: None

Plan of Land



LAND ADJACENT TO 43 BURCHESTER AVENUE, OXFORD

Scale: 1:1,250

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Financial & Asset Management

