

To: City Executive Board**Date:** 20th May 2009**Item No:****Report of:** Interim Head of Property & Facilities Management**Title of Report:** Land at Iffley Road**Summary and Recommendations**

Purpose of report: To seek approval to the disposal of the freehold interest in approximately 0.267 hectares (0.66 acres) of cleared land formerly comprising a number of lock-up garages previously declared surplus to requirement.

Key decision? Yes

Executive lead member: Councillor Bob Price, Leader of the Council, Corporate Governance and Strategic Partnership Board
Councillor Ed Turner, Deputy Leader of the Council, Finance, Housing and Strategic Planning

Report approved by: Mel Barrett, Executive Director, City Regeneration

Finance: Sarah Fogden/Penny Gardner

Legal: Jeremy Thomas/Jeremy King

Policy Framework: Transforming Oxford City Council by improving value for money and service performance. Improve the local environment, economy and quality of life.

Recommendation(s): City Executive Board is recommended to:

1. To approve the freehold disposal of approximately 0.267 hectares (0.66 acres) to Bristol Street Motors at a consideration as detailed in the Confidential Appendix to this report, and otherwise on detailed terms and conditions to be approved by the Interim Head of Property & Facilities Management.

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| <ol style="list-style-type: none">2. Note that the purchaser will be responsible for payment of the Council's legal and surveyors' costs incurred. |
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Background

1. At its meeting held on 3rd December 2007, the Executive Board authorised the declaring surplus of the former (HRA) lock-up garages that occupied the site and for the disposal of the site on terms to be agreed. Through a previous arrangement entered into with the now prospective purchasers, Bristol Street Motors (BSM), the demolition of the lock-up garages was achieved at no cost to the Council subject to BSM being allowed temporary occupation of the site. Some months ago BSM approached the Council with a request to purchase the site for use for the parking and display of vehicles for sale, on terms to be agreed. BSM obtained planning permission for that purpose on 11th March 2009 (consent number 09/00076/FUL).

Report

2. Extensive investigation has been undertaken with regards to possible alternative uses for the site, particularly residential, but because the site is affected by flood risk that is not possible.
3. On that basis, and because of their special purchaser status it is therefore considered advantageous to proceed with a freehold disposal to Bristol Street Motors as detailed in this report. A purchase price, together with the payment of the Council's legal and surveyors' costs incurred, has been provisionally agreed as detailed in the confidential appendix to this report.
4. In the absence of an early exchange of contracts, BSM will be required to either cease their temporary occupation of the site or for it to be regularised by way of a formal lease or licence. It would be proposed that in the event of a lease or licence needing to be granted it will be restricted to the use of parking and display of vehicles for sale. A rent/licence fee will be set at market level.
5. In order to protect the Council's interests the sale will reserve a right of access to the water channel. The Council may also need to reserve rights of pedestrian access over the land, in respect of properties in Radcliffe Road. This latter point is currently being confirmed.

6. Agents Cluttons have previously been engaged by the Council to provide valuation advice in this matter, and were asked to refresh their opinion in respect of the now provisionally agreed terms. They confirm that the price now negotiated is in excess of what could be obtained through disposal on the open market to a third party purchaser and as such, under all of the circumstances, represents the best consideration reasonably obtainable.
7. Disposal will additionally support the development of Bristol Street Motors business.

Environmental Implications

8. Any development of the site will accord with current building regulation requirements. Planning conditions require a scheme of sustainable drainage, and approval of proposed foul and surface water drainage proposals.

Planning Implications

9. Planning consent for the parking and display of vehicles for sale was granted on 11th March 2009.

Financial Implications

10. The disposal of this land represents a significant capital receipt for the City Council and the income will go towards the Decent Homes Programme, which will need to be completed by 2010. Housing colleagues have confirmed that the receipt is required for that purpose.

Legal Implications

11. Secretary of State's consent to this disposal under Section 32 of the Housing Act 1985 will not be required, if disposed of for best consideration, as it falls within consent E3 of the General Housing Consent 2005.

Equality Implications

12. There are no direct implications arising out of the sale of this land to Bristol Street Motors.

Risk Implications

13. A risk assessment has been undertaken and the risk register is attached at Appendix 2.

Recommendations

14. To approve the freehold disposal of approximately 0.267 hectares (0.66 acres) to Bristol Street Motors at a consideration as detailed in the Confidential Appendix to this report, and otherwise on detailed terms and conditions to be approved by the Interim Head of Property & Facilities Management.
15. Note that the purchaser will be responsible for payment of the Council's legal and surveyors' costs incurred.

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List of background papers: Executive Board Report
3rd December 2007

Version number: 1.1



CEB Report Risk Register

Risk Score **Impact Score:** 1 =Insignificant; 2 = Minor; 3 = Moderate; 4 = Major; 5 = Catastrophic **Probability Score:** 1 = Rare; 2 = Unlikely; 3 = Possible; 4 = Likely; 5 = Almost Certain

No.	Risk Description Link to Corporate Objectives	Gross Risk		Cause of Risk	Mitigation	Net Risk		Further Management of Risk: Transfer/Accept/Reduce/Avoid		Monitoring Effectiveness				Current Risk	
		I	P			I	P	Q	Q	Q	Q	I	P		
1	Failure to complete sale at agreed price.	2	3	Worsening economic climate. Deterioration in purchasers financial health/appetite to purchase.	Mitigating Control: Level of Effectiveness: (HML) Tight control of completion of legal process/timescales for completion (H). Financial checks undertaken on purchasers financial status (M).	2	2	Action: Revert to grant of lease/revenue income in the event sale does not proceed within acceptable timescales. Action Owner: Steve Sprason Mitigating Control: Regular monitoring of progress of legal process in conjunction with legal colleagues. Control Owner: Steve Sprason	Outcome required: Milestone Date: Early completion of sale agreed by 30 June 09.	Q 1 ☹ ☺	Q 2 ☹ ☺	Q 3 ☹ ☺	Q 4 ☹ ☺	I	P

