

To: City Executive Board

Date: 9th September 2009 Item No: 18

Report of: Interim Head of Property & Facilities Management

Title of Report: Lower Lodge, Headington Hill, Oxford

Summary and Recommendations

Purpose of Report: This report seeks approval to the terms for the disposal of the Freehold interest in Lower Lodge, Headington Hill as shown edged on the plan attached as Appendix 1. It follows a decision by Executive Board on 16th January 2006, which approved the principle of marketing and disposal of the property.

Key decision: No

Executive lead member: Councillor Oscar van Nooijen – Service Transformation

Report approved by: Melbourne Barrett – Executive Director, City Regeneration

Finance: Sarah Fogden & Penny Gardner
Legal: Jeremy Thomas

Policy Framework: Transform Oxford City Council by improving value for money and service performance.

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

1. Approve a disposal of the Freehold interest in Lower Lodge at the highest bid as shown in the attached confidential appendix, from which the costs of sale will be deducted, and otherwise on terms and conditions to be approved by the Interim Head of Property & Facilities Management. In the event that the proposed purchase does not proceed at this level, the Board is requested to authorise the Interim Head of Property & Facilities Management to proceed with a sale at or above open market value.

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Background

1. The disposal of this property follows Executive Board approval dated 16th January 2006 to the principle of the sale of this property on the open market.

Report

2. The property was marketed by Breckon & Breckon, who were selected on a competitive basis, over a 9-week period, between May and July 2009.
3. Five offers were received for the property during the course of marketing, those offers being as set out in section 1 of the "Not for Publication" Appendix to this report.
4. Prior to the property being marketed by the external agent, an open market valuation was carried out. The current open market valuation is detailed in section 2 of the Appendix.
5. Although the sale price now falls within the Interim Head of Property and Facilities Management's recently approved revised delegation, given the significance of this disposal it is nonetheless considered appropriate to refer the matter to City Executive Board for approval.

Environmental Implications

6. There are no direct environmental implications arising out of this report.

Planning Implications

7. The property is located in a Conservation Area and is a building of local interest.
8. Currently the property does not have on site parking. It has been clearly stated in the sales particulars that planning consent may have to be sought to allow this.

Financial Implications

9. The disposal will generate a significant capital receipt and relieve the Council of the costs of holding a vacant property. The Council's legal and surveyors fees will be deducted from the purchase price.

Legal Implications

10. The Council's powers to dispose of land comprised within the General Fund are contained within Section 123 of the Local Government Act 1972 for best consideration.

Equality Implications

11. There are no direct equality implications arising from this report.

Risk Implications

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

Recommendations

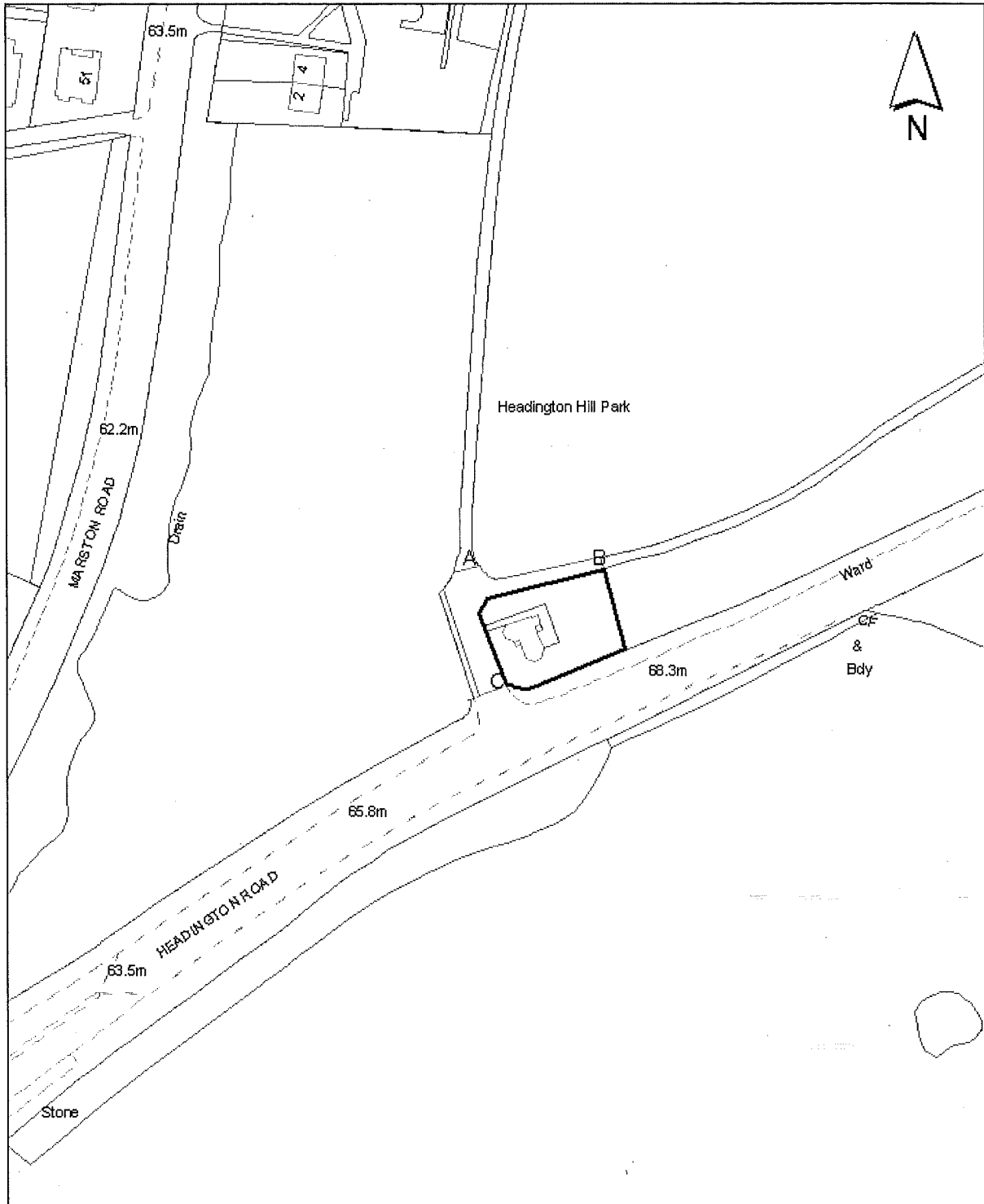
13. To approve a disposal of the Freehold interest in Lower Lodge at the highest bid, as shown in the attached confidential appendix, and otherwise on terms and conditions to be approved by the Interim Head of Property and Facilities Management. In the event that the proposed purchase does not proceed at this level, the Board is requested to authorise the Interim Head of Property & Facilities Management to proceed with a sale at or above open market value.

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Background papers: Report to Executive Board dated 16th January 2006.

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APPENDIX 1



Lower Lodge, Headington Hill Park, Oxford, OX3 0ED

Scale: 1:1,250

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Financial & Asset Management



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APPENDIX 2

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 1	Q 2	Q 3	Q 4	I	P		
1	Failure to complete sale at agreed price.	1	P	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).	1	P	Action: Revert to grant of lease/revenue income in the event sale does not proceed within acceptable timescales. Action Owner: Edward Green Mitigating Control: Regular monitoring of progress of legal process in conjunction with legal colleagues. Control Owner: Edward Green	Outcome required: Milestone Date: Early completion of sale	1 ⊗ ⊕ ⊙	2 ⊗ ⊕ ⊙	3 ⊗ ⊕ ⊙	4 ⊗ ⊕ ⊙	I	P

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