

To: Executive Director, City Regeneration

Date: 16th March 2015 **Item No:** 1

Report from: Service Manager, Regeneration and Major Projects

Title of Report: Disposal of Sub Station sites

Summary and Recommendations

Purpose of report: To confirm of approval to disposal of 83 Electricity Sub Station Sites to Scottish and Southern Electric which was delegated to the Executive Director City Regeneration by CEB July 2014

Key decision? Yes

Executive lead member: Councillor Ed Turner

Policy Framework:

- A vibrant and sustainable economy
- Efficient and effective Council

Recommendation(s)

To agree to completing the sale of 83 Electric sub station Sites to Scottish and Southern Electric for a consideration of £1.25M to be received by the council prior to the end of 2014/2015 Financial Year. The transaction is fully in accordance with the terms presented to CEB in July 2014 and which delegated final decision to the Executive Director Regeneration and Major Projects.

Background

- 1.1 The Council currently owns the freehold interest in some 92 sub station sites across Oxford with the properties currently leased to Scottish and Southern Energy PLC (SSE) on a variety of lease terms with approximately 50% expiring between 2042 and 2045.
- 1.2 The income stream is low (currently approximately £14,000 per annum) and administration and management of the portfolio is time consuming

- and burdensome given the property management, rent negotiations and collection and accounting etc involved.
- 1.3 As the properties are largely of non-strategic importance and are poorly performing it is appropriate and in accordance with the principles outlined in the Asset Management Plan to consider disposal .
 - 1.4 SSE approached the Council with a proposal to acquire the freehold interests in the sub-station sites and following negotiations , terms have been agreed for a private treaty sale of 83 of the 92 sites. (see 1.6 below) A property schedule is contained in Appendix 1
 - 1.5 The terms of the transaction are as per the original CEB Report of July 2014 and scope of properties or consideration has not varied.
 - 1.6 The sites comprise small areas of land mainly within the Council's housing estates and have limited alternative development or other potential and disposal will not interfere or restrict the Council's ability to redevelop or re-configure the housing estates at some future date.
 - 1.7 A small number of sites (9) will be retained by the Council with leases to SSE in view of their strategic/ future development impacts.
 - 1.8 The disposal restricts SSE to use the sites as sub-stations only and provides a clawback provision in the event of any alternative use or development being undertaken.
 - 1.9 Carter Jonas , a firm of external Property Consultants provided valuation advice to support the negotiation process and confirmation that the price represents best consideration in accordance with S123 of the Local Government Act 1972

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