

To: City Executive Board

Date: 12 November 2015

Report of: Head of Housing and Property

Title of Report: Sale of City Farm, Garsington

Summary and Recommendations

Purpose of report: To approve the sale of City Farm, Garsington which is held as a General Fund investment asset.

Key decision Yes

Executive lead member: Councillor Ed Turner

Policy Framework: Efficient and Effective Council

Recommendation(s): That the City Executive Board resolves to:

1. authorise the sale of City Farm on the basis of the valuation set out in Appendix 3; and
2. delegate authority to the Executive Director for Regeneration and Housing, in consultation with the Executive Lead Member, the Chief Executive, the Monitoring Officer and the s151 Officer, to vary those terms on condition that the revised terms continue to represent the best consideration reasonably obtainable.

Appendix 1 Location Plan
Appendix 2 Risk Register
Appendix 3 Exempt from Publication

Background

1. City Farm is let on a protected agricultural tenancy which commenced on 29 September 1962. The farm comprises a farm house along with a cottage, a range of farm buildings and 137 acres of agricultural land. The holding is shown on the attached plan at Appendix 1.

2. Based upon the value, current liabilities and returns of the holding our professional advice is that it is preferable to dispose of this asset in investment terms.
3. Initial discussions have been held with the tenant as a potential purchaser of the farm.

Legal Issues

4. The farm is leased under a protected tenancy, the terms of which are set out in the confidential Appendix 3.

Financial Issues

5. The property is held within the General Fund as an investment asset. The current rent is £12,500pa and as such the investment return is low with no immediate development value. As such it is not currently meeting the Council's requirements.
6. A clawback clause will be incorporated as part of the sale transaction so that if the land is subsequently sold for redevelopment the Council will take a share of those profits. Bids will be sought on two alternative basis; firstly for the clause to apply in perpetuity and secondly on a conventional market basis which would be in the region of 30 years. This will allow the valuation difference to be evaluated.
7. The market for agricultural land and investments is currently strong and this sale will benefit from that.
8. Further detail is set out in the confidential Appendix 3.

Environmental Impact

9. None.

Level of Risk

10. A risk register is attached at Appendix 2.

Equalities Impact

11. An assessment is not relevant.

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List of background papers: None