
Decision maker:	Chief finance officer
Decision date:	28 April 2017
Title of report:	Sale of Phoenix Yard, Ashburton, Ross-on-Wye
Report by:	Development manager

Classification

Open

Key decision

This is not a key decision.

Wards affected

Ross East

Purpose

To approve the freehold sale of the Phoenix Yard and a section of former railway embankment at Ashburton, Ross-on-Wye to Pricewise Homes Ltd.

Recommendation

THAT:

- (a) **the sale of the Phoenix Yard and section of former railway embankment at Ashburton, Ross on Wye as detailed on the plan attached at appendix 1 to 'Pricewise Homes Ltd' be approved in the sum of £154k; and**
- (b) **In the event that the sale to the Pricewise Homes Ltd does not proceed that the property is offered to the under-bidder.**

Alternative options

- 1 The site has been considered for a traveller transfer site and following consultation with relevant cabinet members it was declared surplus and recommended for sale .

- 2 That the property is withdrawn from the market for sale and let instead to a commercial tenant, annual rent for open storage or parking would be circa £5k pa. This is not recommended as the site has been reviewed in accordance with the tenanted non-residential property criteria within the property strategy and does not represent a viable case for retention. In addition the disposal would provide an capital receipt and negate the need for continued revenue costs associated with security and rates payable on a currently vacant site.
- 3 That the property is withdrawn from the market and included in the package of assets to be developed by the council's strategic development partner once appointed. The property has been identified for sale for some time and not included on the list shared with the prospective development partners. There would be holding costs in the form of empty business rates and security and as the site is relatively small it is unlikely to generate significantly more value if developed by the development partner and introducing it at this stage will delay the sale.

Reasons for recommendations

- 4 The Phoenix Yard is vacant and the former railway embankment is overgrown. In the past the site has been broken into and the fencing damaged, and the trees require regular safety inspections and lopping as necessary, incurring revenue costs of approximately £1000.
- 5 Disposing of the site would reduce ongoing revenue costs to the council.
- 6 The capital receipt would contribute a receipt in line with the MTFs.
- 7 The offer received for Phoenix Yard is as a result of an open and competitive marketing campaign by way of informal tender and is the highest of five offers received. The offer is not conditional.

Key considerations

- 8 Commercial property agents Turner & Company were appointed on 22 March 2016 to market the property having been procured following a competitive fee bid from local firms. They have undertaken an open marketing campaign with local and regional advertising culminating in first round offers on 17 January and a second round following receipt of a higher bid by one of the parties. All parties bidding were invited to make their best and final offers three were received on 24 March.
- 9 The offer is subject to contract but otherwise unconditional.
- 10 Exchange target to be 28 days following receipt by the purchaser of documentation.

Community impact

- 11 The council is pursuing best use of resources in obtaining optimal rate of return for the tax payer through the disposal of a surplus property and re-directing the proceeds to council priorities as identified within its corporate plan.

- 12 Redevelopment of the site with light industrial units for letting will enhance what is currently an unused open site and will have a positive impact on the adjacent Industrial Estate and the town and improve the employment prospects in the area.
- 13 The following corporate plan objectives will be supported:
- Support the growth of our economy and improve the quality of jobs and the level of pay
 - The capital receipt can help secure better services, to further enhance quality of life in the county

Equality duty

- 14 There are no implications in respect of the council's public sector equality duty arising from this report.

Financial implications

- 15 The gross capital receipts of £154k represents the market value as it has been openly marketed by external property agents. Agent's fees, legal fees and other associated costs of disposal will be deducted from the gross capital receipt, up to a maximum of 4%. Costs above this threshold will be met from property services revenue budgets.
- 16 The council will be responsible for the holding cost, rates, security etc. until such time as the sale is completed. A 10% deposit will be paid on exchange of contracts and only refunded in the event that the council is in breach and fails to complete the sale.
- 17 The site is surplus to council requirements and by releasing it for disposal will remove the need to invest in backlog tree maintenance, payment of empty business rates and security costs.

Legal implications

- 18 The council is empowered to dispose of its land in such manner as it wishes pursuant to the Local Government Act 1972 provided that in accordance with s123(3) it does so at the best value that can reasonably be obtained on the market (unless an undervalue is justified in accordance with General Disposal Consent (England) 2003).
- 19 The council's legal department will deal with the contract documentation for the sale.

Risk management

- 20 None.

Consultees

- 21 Local Member - supportive of the sale of this surplus asset.

Appendices

Appendix 1 – plan of site to be disposed

Background papers

- None.