PROPOSED SALE OF GREENACRES LODGE, GREENACRES ROAD / LYNWOOD DRIVE.

Report of Executive Director, Economy, Place and Skills

Portfolio Responsibility:
Housing Transport & Regeneration

Ward: Waterhead

December 2011

Delegated Item

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Executive Summary/Purpose of Report

The purpose of this report is to:

i) Seek approval to a sale of Greenacres Lodge, Greenacres Road / Lynwood Drive by way of informal tender.

Recommendation

2.1 It is recommended that approval be given to:

i) Declare the property surplus to the Council’s operational requirements
ii) Advertise for sale via informal tender & to seek a premium plus the Council’s fees in return for the grant of a 250 year lease
iii) Delegate authority to the Assistant Executive Director (Strategic Projects & Property) to accept the most beneficial offer
PROPOSED SALE OF GREENACRES LODGE, GREENACRES ROAD / LYNWOOD DRIVE.

REPORT OF EXECUTIVE DIRECTOR, ECONOMY, PLACE AND SKILLS

STRATEGIC PROJECTS AND INVESTMENT PORTFOLIO

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to:

Seek approval to dispose of the above property more particularly shown edged red on the attached plan via an informal tender process and to seek a premium plus the Council’s fees in return for the grant of a 250 year lease.

2.0 RECOMMENDATION

2.2 It is recommended that approval be given to:-

iv) Declare the property surplus to the Council’s operational requirements

v) Advertise for sale via informal tender and to seek a premium and Council fees in return for the grant of a 250 year lease

vi) Delegate authority to the Assistant Executive Director (Strategic Projects & Property) to accept the most beneficial offer

3.0 INTRODUCTION OR BACKGROUND

3.1 The land and premises shown edged red on the attached plan comprises 1.74 acres (0.70 hectares) or thereabouts and includes a substantial 19th century property built around 1850.

The property is not a listed building

4.0 CURRENT POSITION

4.1 The property was previously used by Mental Health Services but was vacated some time ago following construction of new accommodation at Mill View immediately to the south of the Lodge.

4.2 The property was retained whilst the outcome of a bid to the Department of Health in respect of an extra care project had been determined. The bid was unsuccessful and the property is now deemed to be surplus to the Council’s requirements and available for disposal.
4.3 It is estimated that if the property was advertised for sale on the open market it might achieve a capital receipt in the region of £250,000.

5.0 OPTIONS / ALTERNATIVES

5.1 The options are:

   (i) Retain the property and continue to be responsible for on-going “holding costs” including Council Tax, security, repair & maintenance
   (ii) Proceed with a sale via auction
   (iii) Proceed with a sale via informal tender
   (iv) Proceed with the sale by way of private treaty

6.0 PREFERRED OPTION

6.1 Disposal of the property via the grant of a 250 year lease and by informal tender is deemed to be the most appropriate method of sale to ensure the Council maximises the value of its asset whilst also ensuring it maintains sufficient control in terms of bringing the property back into use or via any proposed redevelopment of the site.

7.0 CONSULTATION

7.1 Ward Councillors have been consulted.

8.0 FINANCIAL IMPLICATIONS

8.1 Capital Comments

8.2 Revenue Implications

9 Legal Services Comments

9.1 After approval is obtained that the properties are surplus to the Council’s operational requirements, the Council can then dispose of the properties.

9.2 By virtue of section 123 of the Local Government Act 1972 the Council has the necessary statutory powers of disposal. On a disposal of its land by way of lease the Council are under a statutory obligation to obtain the open market value and the best consideration that can reasonably be obtained.

9.3 A disposal by way of informal tender allows the Council to identify one preferred bidder with whom it may then negotiate further detailed terms. This process is particularly useful where the proposals may need to be developed in co-operation with the preferred bidder to meet the Council’s corporate objectives and to achieve the best consideration that can be reasonably obtained. A binding legal agreement will not be created until exchange of contracts between the Council and the chosen tenderer.

9.4 The Councils Land and Property Protocols have been observed. (Peter Oliver)

10.0 HUMAN RESOURCES’ COMMENTS
10.1 None.

11.0 IT IMPLICATIONS

11.1 None.

12.0 PROPERTY IMPLICATIONS

12.1 Property implications have been addressed as part of this report.

13.0 ENVIRONMENTAL AND HEALTH AND SAFETY IMPLICATIONS

13.1 None

14.0 COMMUNITY COHESION IMPLICATIONS (INCLUDING CRIME AND DISORDER IMPLICATIONS IN ACCORDANCE WITH SECTION 17 OF THE ACT)

14.1 None

15.0 KEY DECISION – NO

Signed

Cabinet Member for Housing Transport & Regeneration

Dated

Signed

Executive Director
Economy, Place and Skills

Dated