

CABINET	AGENDA ITEM No. 8
10 JULY 2023	PUBLIC REPORT

Report of:	Cecilie Booth, Executive Director of Corporate Services	
Cabinet Member(s) responsible:	Councillor Andy Coles, Cabinet Member for Legal, Finance and Corporate Services	
Contact Officer(s):	Felicity Paddick, Head of Estates	Tel. 07801910971

DISPOSAL OF PETERSCOURT, ECO INNOVATION BUSINESS CENTRE

RECOMMENDATIONS	
FROM: <i>Executive Director of Corporate Services</i>	Deadline date: <i>N/A</i>
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> 1. Approve the disposal of the freehold interest of Peterscourt, Eco Innovation Centre in the terms set out in the report and in the exempt Appendix 1 and the grant of necessary rights for the area of land shown on the attached Title Plan 2. Delegate authority to the Executive Director of Corporate Services and Director of Law and Governance, in consultation with the Cabinet Member for Legal, Finance, and Corporate Services to take all necessary steps to facilitate the decision in recommendation 1 including approving the final terms of the disposal and entering into any necessary agreements. 3. Note that the CCTV service, which is currently located in the Peterscourt, Eco Innovation Centre will be relocated to an alternative Council owned property prior to the completion of the sale. 	

1. ORIGIN OF REPORT

- 1.1 Cabinet approved in September 2022 a disposals plan which identified assets which the Council can release for sale over the period 2022-2025 to meet its target for capital receipts to support the Council's budget and capital strategies. This report is submitted to seek approval to dispose of Peterscourt, Eco Innovation Centre building, 25 car parking spaces together with the going concern of the serviced office accommodation business. Peterscourt is listed in the Assets and Disposals plan and is earmarked for disposal in 23/24.

The rationale behind the disposal is set out in the Exempt Annex subject to approval from Cabinet.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to seek approval to dispose of the freehold interest of Peterscourt, Eco Innovation Business Centre and the grant of necessary rights to support the Asset and Disposal Review Plan.
- 2.2 This report is for the cabinet to consider under its Terms of Reference No. 3.2.3, *'To determine any key decision ...'*
- 2.3 There is an exempt appendix attached to this report that is NOT FOR PUBLICATION by reason of paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972 because it contains

information relating to the financial and business affairs the Council. The public interest test has been applied to the information contained within this exempt appendix and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it.

3. **TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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4. **BACKGROUND AND KEY ISSUES**

4.1 The Council owns the freehold of Peterscourt, Eco Innovation Centre, in Peterborough. The asset also has the right to use 25 parking spaces in the land to rear of the building.

The building operates as serviced flexible office accommodation, meeting rooms, virtual offices and is open 9am-5pm with a fully manned reception.

In September 2022 a paper was taken to Cabinet which identified assets the Council can release for sale in the period 2022-2025. Eco Innovation Centre is on the list for consideration for disposal.

The property has been marketed for sale through Savills since January 2023 with interest received from a range of parties. The Council has received a suitable offer which is detailed in the Heads of Terms in the exempt annex.

There are financial and operational benefits to the Council in disposing of the freehold interest; the details relating to this are contained within the Exempt Annex.

Peterborough City Council and Fenland District Council shared CCTV service is based at the Eco Innovation Centre. With a change of freehold ownership of the building, it is recommended that CCTV would be relocated into a Council owned building, with the preference being Sand Martin House. The move will take place prior to completion.

A Red Book Valuation will be undertaken prior to the sale of the property to provide assurance that the Council will receive best value.

5. **CORPORATE PRIORITIES**

5.1 The recommendation links to the following Corporate Priorities:

1. The Economy & Inclusive Growth
 - A Carbon Impact Assessment has been completed. The disposal of Peterscourt will directly reduce energy, water, carbon emissions and environmental impacts that the Council are responsible for through its tenants and staff using the building. There will be neutral impacts to the city's carbon emissions.

Further information on the Council's Priorities can be found here - [Link to Corporate Strategy and Priorities Webpage](#)

6. **CONSULTATION**

6.1 Consultation has taken place with officers, the Corporate Leadership Team on the 21 June 2023, and Cabinet Policy Forum on the 26 June 2023.

It should be noted that existing tenants of the Eco Innovation Centre have been advised of the current position and they are aware of any potential impacts.

7. **ANTICIPATED OUTCOMES OR IMPACT**

- 7.1 The disposal of this asset will materially contribute to the capital receipts that the Council requires over the next three-year period.
- 7.2 It will reduce Business Rates liabilities for unoccupied areas and spaces within the council's responsibility such as the car parking spaces. It will also reduce costs for staffing, cleaning, maintenance, repairs, and remove the need for any further investment required, which is expected to be fairly significant in the short term.
- 7.3 In proposing to dispose of this asset, there will be revenue loss to the Council from rent and room hire.

8. REASON FOR THE RECOMMENDATION

- 8.1 The Council needs to secure capital receipts in this financial year and up to 24/25.

9. ALTERNATIVE OPTIONS CONSIDERED

- 9.1 The Council can continue to let the property using agents; however, this will not enable PCC to fulfil its requirement for significant capital receipts. There would be continued and ongoing liabilities, including capital expenditure on the building and its infrastructure which has not been budgeted for.

10. IMPLICATIONS

Financial Implications

- 10.1 The financial impact of disposal of this property is as detailed within section 6 of the exempt annex (including the potential costs of relocation of the shared CCTV service).

Whilst the disposal will contribute to the overall capital receipts target for funding the Council's wider capital programme, the net loss of income (after incorporating savings from overheads) will need to be managed in current budgets and future MTFS considerations

Legal Implications

- 10.2 Any disposal of land by the Council must be for best consideration reasonably obtainable by the Council exercising its powers pursuant to section 123 Local Government Act 1972.

The Property is currently occupied by (i) Tenants in physical occupation under a licence.
(ii) Tenants in virtual occupation under a licence. The Tenants will be transferred as a going concern under the disposal.

Equalities Implications

- 10.3 No specific implications arising from this report although where necessary Equality Impact assessments will be carried out to support decision making.

11. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 11.1 There are non-applicable.

12. APPENDICES

- 12.1 Appendix 1 – Land Registry Title Plan
Appendix 2 – Exempt Annex

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