

DELIVERY OF THE COUNCIL'S CAPITAL RECEIPTS PROGRAMME THROUGH THE SALE OF SURPLUS BUILDING AT 17 FLETTON AVENUE, PETERBOROUGH.

CABINET MEMBER FOR RESOURCES - COUNCILLOR DAVID SEATON

February 2018

Deadline date: n/a

Cabinet portfolio holder: Responsible Director:	Councillor David Seaton, Cabinet Member for Resources Simon Machen – Corporate Director Growth and Regeneration
Is this a Key Decision?	No
Is this decision eligible for call-in?	No
Does this Public report have any annex that contains exempt information?	Yes Appendix 1 contains an exempt schedule as it contains information on the price to be paid by the Purchaser which is commercially confidential at this stage. The exempt annex is NOT FOR PUBLICATION by reason of paragraph 3 of Schedule 12A OF Part 1 of the Local Government Act 1972. This is because the information is considered to be commercially confidential until such a point that the sale contract has been completed. The public interest test has been applied to the exempt information and it is considered that the need to retain the information as exempt at this stage outweighs the public interest in disclosing it.

RECOMMENDATIONS

The Cabinet Member is recommended to:

1. Approve the disposal of 17 Fletton Avenue, Peterborough in order to support the Council's Medium Term Financial Plan (MTFP) either by way of public auction sale or Private Treaty. The asset is included in the Council's approved MTFP for sale during Financial Year 2017/18.
2. Authorise the Corporate Director – Growth and Regeneration to determine whether the asset is to be sold by private treaty or public auction and the authority to negotiate and conclude terms as appropriate to complete the disposal of this Council owned asset.

1. SUMMARY OF MAIN ISSUES

- 1.1 The Council is seeking to deliver Capital Receipts from the sale of Council assets in order to support the Council's Medium Term Financial Plan (MTFP).

- 1.2 This report seeks approval to dispose of an asset that is included in the Capital Receipts Programme approved by Council when it set its budget in March 2017 and is scheduled to be sold during the Financial Year ending 31 March 2018.
- 1.3 A disposal will generate a much needed capital receipt for reinvestment in public services through the Council's Capital Programme or to support revenue budgets. Since April 2016 the Council has the flexibility to utilise receipts to support either capital or revenue spend. Provided the money is received prior to 31 March in any financial year it can be counted against capital or revenue spend for that Financial Year, in this case the Financial Year 2017/18. It is anticipated that the asset will be sold at auction but this will be determined by the Corporate Director – Growth and Regeneration as assets are sometimes sold before or after it appears in auction on terms that at satisfactory to the Council.
- 1.4 The property formed part of the Operational portfolio and as a result of a service review by Day Opportunities, who have now moved to Unit B1 Hampton Business Park, they vacated three buildings which included 17 Fletton Avenue. This building, after consulting with all other service departments, has been declared surplus to requirements.
- 1.5 The anticipated capital receipt is expected to be more than £250,000 but less than £500,000. It is therefore not a Key Decision.

2. PURPOSE OF THIS REPORT

- 2.1 This report is for Councillor David Seaton to consider exercising delegated authority under paragraph 3.4.3 of Part 3 of the constitution in accordance with the terms of his portfolio at paragraph (i).
- 2.2 Appendix 1 contains an exempt schedule as it contains information on the price to be paid by the Purchaser which is commercially confidential at this stage. The exempt annex is NOT FOR PUBLICATION by reason of paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972. This is because the information is considered to be commercially confidential until such a point that the sale contract has been completed. The public interest test has been applied to the exempt information and it is considered that the need to retain the information as exempt at this stage outweighs the public interest in disclosing it.

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	N/A
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4. DETAILS OF DECISION REQUIRED

4.1 BACKGROUND

- 4.2 The Cabinet Member is requested to approve the sale of land and buildings (for which the freehold is owned by the Council).
- 4.3 The property was occupied by Day Opportunities, part of City College Peterborough. The property consists of a period house converted to part offices and a day care centre. There is a car park to the side and frontage of the building, footpaths to the rear and a large single story extension with associated consulting rooms, reception area and kitchen.
- 4.4 The property was acquired by the council as part of the Unitary Authority transfer from Cambridge County Council on the 1 April 1998. This does not preclude the Council selling the asset.

5. CONSULTATION

- 5.1 The asset has been approved for disposal as part of the budget setting in 2017/18 leading to the approval by Council of the Budget in March 2017. Ward Councillors have been notified of the intention to progress the disposal as well as the Corporate Director Resources, Head of Strategic Finance, Head of Peterborough Property, Cabinet Member for Resources and Leader of the Council.

6. ANTICIPATED OUTCOMES

- 6.1 The Cabinet Member for Resources authorises the sale of this asset and delegates to the Corporate Director – Growth and Regeneration the decision to either sell by auction or private treaty. In addition the Cabinet Member delegates to the Corporate Director Growth and Regeneration, in consultation with the Cabinet Member the authority to negotiate and conclude terms as appropriate to complete the disposal of this Council owned asset.

7. REASONS FOR RECOMMENDATIONS & ANY RELEVANT BACKGROUND INFORMATION

- 7.1 The recommendation is being made to ensure that the Council meets its Capital Receipts Programme requirements and provide it with the opportunity if it so chooses to utilise the receipt to support the Councils revenue spend.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 Option 1 - Do nothing.

The Council has determined this is not an investment or operational asset which it chooses to retain and commit future revenue and capital spend, unlike those properties that are retained. The asset is not identified as one required to support future growth or where the Council will have a future operational need. A “do nothing” option is therefore not recommended.

8.2 Option 2 - Retain the property and generate investment income.

Future investment in the site and buildings would be required to generate an income from an alternative use. The buildings were utilised by special day care services and adapted to suit those operational requirements. Due to the age of the building and it being a conversion from residential to a day care centre, with associated offices, the costs associated to convert the property to create a modern office environment would require considerable investment for which the Council has made no allowance. This property does not meet any of the 3 criteria required for:

- a) Operational need,
- b) Growth or
- c) Investment income purposes

The “retain and invest option” is not considered a viable option.

8.3 Option 3 - Re-use or redevelop the property for Council Use

The property has been circulated to all the departments to see if there may be any alternative operational requirements for the building. Further, the Council has undergone a substantial rationalisation programme which will lead to most Council staff being located at new offices on Fletton Quays from July 2018 onwards. Given these circumstances had the building been suitable for Council staff and there was a demand, this would not align with the Councils agreed programme of relocating most staff to Sand Martin House at Fletton Quays. As such, “reuse” is not a viable option.

As a consequence of the 3 options above being discounted, Council Officers have recommended and this has already been approved by Full Council that this asset is made available for sale.

9. IMPLICATIONS

9.1 Financial Implications

The Council has made an allowance in its 2017/18 budget for this asset to be sold during the course of the financial year.

9.2 Legal Implications

There are no legal implications as the asset is being sold for best consideration either through a private treaty sale or via auction.

10. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

None

11. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985) and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

11.1 None.

12. APPENDICES

12.1 Appendix 1 - A conveyance plan is attached showing the asset coloured red.

12.2 Appendix 2 - Exempt Annex – Valuation Report