

**To the Chair and Members of the
CABINET**

Proposed Sale of 4.3 acres of Land at Carr House Road

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Councillor Joe Blackham	Town Ward	Yes

EXECUTIVE SUMMARY

1. The purpose of this report is to proceed with the sale of the land at Carr House Road with the preferred bidder – Option Two.
2. This report requires a decision at Cabinet as the proposed capital receipt is in excess of £1m.

EXEMPT REPORT

3. This report is not exempt however; there are a number of financial and commercial matters contained within Appendix 1 to the report which is commercially sensitive information. Therefore, Appendix 1 is NOT FOR PUBLICATION because it contains exempt information under Paragraph 3 of Part 1 of Schedule 12 (a) of the Local Government Act 1972 (as amended), information relating to the financial or business affairs of any particular person (including the authority holding that information).

RECOMMENDATIONS

4. That Cabinet support the decision to proceed with the sale on the terms reported.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

5. The sale of this asset will generate new housing development for the borough. New developments will generate growth in the local economy and create and support local job through development and associated local infrastructure. Council revenues will be supported from new development by the creation of additional Council Tax.
6. The Council will further benefit financially from capital receipts released from the sale of property assets which will directly support the delivery of

the Councils Capital Programme for the next four years.

BACKGROUND

7. The subject site comprises of circa 4.3 acres and was formally utilised for bloodstock sales. Following cessation of the former use, the site is now surplus to the Councils operational requirements and currently forms part of the Councils Disposal Programme approved by Cabinet on 20 February 2008. A previous marketing exercise failed to achieve an acceptable offer. Given the number of new housing sites being developed in the locale, further marketing of the site was held in abeyance to ensure best consideration through market demand.
8. The land was advertised by the way of an informal tender for 8 weeks. The site was marketed both locally and nationally. A total number of 47 sales particulars were sent to prospective buyers. Following completion of this a total of 6 offers were received. Offers received are detailed in the appendix to this report.
9. The most favourable bid was submitted by a local house builder noted in the appendix to this report – Offer B. Their proposed scheme is for residential houses to be built throughout the site with an element of public open space on site as well as affordable housing provisions as per the planning policy.
10. The bidder has already undertaken significant work on scheme design and has consulted with the Highways department. And it is subject to gaining successful planning permission.
11. The specifics of the design include a mixture of both 2 and 3 bedroom homes.
12. An alternative offer was received which required analysis against the recommended offer.
13. A tableted summary and analysis of the two highest bids is included in the appendix to this report.

OPTIONS CONSIDERED

14. ***Option One: Do nothing (not recommended)***
If the Council does not proceed with the sale of the land then will remain the ownership of the Council and we will not achieve the financial disposal target for this year.

Option Two: Proceed with the sale with the preferred bidder (this is the recommended option)

If we accept the offer then we would achieve the target for the disposal programme as well as contribute towards achieving more new homes in Doncaster.

REASONS FOR RECOMMENDED OPTION

15. Following the evaluation of the offers it is considered that the offer made by Offeree B is the best and most achievable offer in planning terms and thus represents the market value of the asset.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

16.

	Outcomes	Implications
	<p>All people in Doncaster benefit from a thriving and resilient economy.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Be a strong voice for our veterans</i> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	<p>Releasing assets to support the development of new property in Doncaster will show a firm commitment to the economic growth and regeneration of the Borough.</p> <p>The receipts from assets sales will directly support the Councils Capital Programme</p>
	<p>People live safe, healthy, active and independent lives.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	<p>Through the generation of long term sustainable revenues from new Council Tax new development will help reduce pressure on budgets and support future service delivery.</p>
	<p>People in Doncaster benefit from a high quality built and natural environment.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	<p>Releasing assets to support the development of new property in Doncaster will show a firm commitment to the economic growth and regeneration of the Borough, supporting and improving the built environment in local communities</p>
	<p>All families thrive.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	<p>Through the generation of long term sustainable revenues from new Council Tax new development will help reduce pressure on budgets and support future service delivery.</p>
	<p>Council services are modern and value for money.</p>	<p>The managed disposal of property assets shows a proactive stance for</p>

		the Council to generate both receipts and future revenues and create new opportunities for development in the current and future environment.
	Working with our partners we will provide strong leadership and governance.	In common with our partners we continue to provide better value and quality solutions in the use of Council owned property assets.

RISKS AND ASSUMPTIONS

17. The principal risk associated with not proceeding with the sale is that if we remarketed the site there is a high risk that we would not achieve such competitive offers.
18. The offer made represents the current market value of the site and lies within both our expectations and is above the average price per acre in the Borough.

LEGAL IMPLICATIONS

19. The Council has statutory power to dispose of non-housing/non-HRA land without the Secretary of State's consent for the best consideration reasonably obtained.
20. In assessing whether the best consideration reasonably obtainable is achieved the Council is not required to accept the highest offer made. It may take into account other considerations, in this case as the offers were subject to planning approval and the higher offer is outside policy it is reasonable to come to conclusions that the lower offer is the best reasonably obtainable.
21. If the land is currently classed as HRA the consent of the Secretary of State would be required.
22. Under the Council's Financial Procedure Rules Cabinet approval is required where the price being received is greater than £1 Million.

FINANCIAL IMPLICATIONS

23. Former DBS site is currently part of the Council's disposal programme. The sale will produce a capital receipt of £2.0m and this will be used to fund capital projects.

HUMAN RESOURCES IMPLICATIONS

24. There are HR implications for this report.

TECHNOLOGY IMPLICATIONS

25. There are no technology implications for this report

EQUALITY IMPLICATIONS

26. There are not considered to be any equality implications associated with this decision.

CONSULTATION

27. The subject land has previously had approval for sale on 20 February 2008 as part of the wider Strategic Disposal. This proposed disposal has been subject to additional consultation with Cabinet Member (Cllr J Blackham) who is supportive of the recommended option in the body of this report.
28. Local ward members (Cllr N McDonald, Cllr J McHale & Cllr D Shaw) are informed of this disposal.

BACKGROUND PAPERS

1. 20 February 2008: Cabinet Report (Key Decision Ref: K760): A Strategic Disposal Programme for General Fund Council Property and Land Assets 2007-2012 and Associated Issues.

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Appendix 1 PROPOSED SALE OF 4.3 ACRES OF LAND AT CARR HOUSE ROAD DONCASTER (Exempt information under paragraph 3 of Part 1 of Schedule 12 (a) of the Local Government Act 1972 (as amended), information relating to the financial or business affairs of any particular person (including the authority holding that information).