

CABINET

1, Dalton Square, Lancaster

16th February, 2010

Report of Corporate Director (Regeneration)

PURPOSE OF REPORT			
To consider the terms for the disposal of 1, Dalton Square, Lancaster.			
To report on the implications of selling the above property through an agent by informal tender and to obtain approval to sell the property as detailed below.			
Key Decision	<input checked="" type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>
			Referral from Cabinet Member
Date Included in Forward Plan	7th January 2010		
This report is public.			

RECOMMENDATIONS OF COUNCILLOR THOMAS

- (1) To declare the property surplus to council requirements and sell 1, Dalton Square, Lancaster through a property agent by informal tender.**
- (2) If an acceptable offer is not received prior to the cabinet meeting, to authorise the Head of Property Services to agree the sale price with the property agent; to agree to the payment of the property agent's fees and to authorise the relevant officers to complete the sale.**

1.0 Introduction

The property known as 1 Dalton Square has been vacant since the lease ended in July 2002. At that time the council's Access to Services Review identified that the property could be retained as part of an amalgamation with Palatine Hall which is the next door property. Further work on the review identified that Palatine Hall would not be retained, and therefore this property is not required to accommodate council services and is surplus to requirements. It was initially envisaged that both properties could be sold together, thereby maximising their value. However, the Access to Services Review has been delayed due to inadequate funding and as a result; the property has been advertised for sale.

2.0 Proposal Details

To enable the sale to take place during the 2009/10 financial year, discussions were held with a number of local commercial property agents and when asked how they would dispose of the property they advised by private treaty rather than by auction. This is a relatively small but prominent property which has already generated local interest. Selling the property by informal tender has the advantage of the property agent being able to negotiate with tenderers as part of the process.

Fisher Wrathall has been selected as the selling agent based on information that they provided. The freehold interest in the property is being marketed with informal tenders to be received by noon on Monday 15th February, 2010 with a guide price of £170,000. Fisher Wrathall's fees are £1,550 plus VAT, plus £75 plus VAT for the for sale board. If an acceptable offer is received, this will be verbally reported to cabinet for approval. However, if there needs to be further negotiations to achieve an acceptable price, it is suggested that the final sale price be delegated to the Head of Property Services, in consultation with the property agent.

3.0 Details of Consultation

The ward councillor has been consulted. She is very much in favour of the property being sold, and brought back into use on the basis that the council should not be hanging on to empty property.

4.0 Options and Options Analysis (including risk assessment)

- 4.1 Option 1 - To sell 1, Dalton Square, Lancaster by tender, with a guide price of £170,000 agreed with the property agent and to agree to the payment of the property agent's fees and to authorise the relevant officers to complete the sale. This would be in accordance with the Council's approval to dispose of surplus properties. The sale of the property would result in an empty property being brought back into use and the council receiving a capital receipt. This would also prevent the property deteriorating further whilst avoiding further expenditure in retaining the building.
- 4.2 Option 2 - Not to sell the property. This would not be accordance with the Council's approval to dispose of surplus premises, as the premises are listed in the General Fund Disposal schedule. The City Council would be left with recurring management liabilities and costs as the condition of the property deteriorates further.

5.0 Officer Preferred Option (and comments)

Option 1 is preferred for the reasons outlined above and that Cabinet approves the disposal by informal tender and to authorise the relevant officers to complete the sale.

RELATIONSHIP TO POLICY FRAMEWORK

There is no specific reference to this sale within the Council's Corporate Plan. The sale would be in line with the Disposal Strategy approved by Cabinet on 17th March 2009.

CONCLUSION OF IMPACT ASSESSMENT**(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)**

This report raises no implications.

FINANCIAL IMPLICATIONS

Should the property be sold then it would generate a capital receipt for the City Council. The property is already included in the General Fund Disposal schedule, and when a receipt is received it will contribute to the overall financing of the general fund capital programme. There is an associated revenue cost of holding the property. This was in the region of £900 during 2008/09 and covered electricity, building insurance and legionella monitoring. The ongoing annual cost of retaining this property until such time it is disposed is unlikely to be more than £1,000.

SECTION 151 OFFICER'S COMMENTS

The S151 Officer has been consulted and has no further comments.

LEGAL IMPLICATIONS

Legal Services have been consulted and will prepare the necessary documentation for the sale of these premises.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

None.

Contact Officer: Julia Greenwood
Telephone: 01524 582507
E-mail: jgreenwood@lancaster.gov.uk