

Individual Cabinet Member Decision

Carnforth Council Offices, 46 / 48 Market Street, Carnforth

August 2006

Report to Councillor Stone

PURPOSE OF REPORT					
To obtain approval to delegate the setting of the auction reserve to the Head of Property Services					
Key Decision		Non-Key Decision	X	Referral from Cabinet Member	
This report is public					

1. RECOMMENDATIONS OF OFFICER

To delegate to the Head of Property Services authority to fix the auction reserves in conjunction with the Auctioneer and to agree to the payment of the auctioneers fees and to authorise the relevant officers to complete the sale.

2. Introduction

Cabinet resolved at its meeting on the 25th of April 2006 that a 125 year leasehold interest in Carnforth Council Offices, 46 – 48 Market Street, Carnforth be sold at auction (Minute No. 181 refers).

3. Proposal Details

Pugh & Company has been selected as auctioneers, as they are holding a commercial property auction on 6th of September 2006. (They have been previously used for the sale of a number of Council premises during recent years.) The basis for their fees is £500 plus VAT per property for a page entry in the auction catalogue, plus a sale charge of £250 plus VAT for each property.

It is necessary to specify a reserve price, below which the auctioneer is not authorised to sell the property. It is suggested that the level of the auction reserve be delegated to the Head of Property Services, in consultation with the auctioneer. This needs to be set at a realistic level, to ensure a sale takes place. Occasionally properties entered for auction sell prior to auction, i.e. where the auctioneer receives a realistic offer. The auctioneer effectively acts as the Council's agent. There is also a risk that bids may not reach the reserve, and property may not sell. Some flexibility may be needed at and immediately before the auction itself, so delegated authority is sought for the Head of Property Services in these circumstances.

4. Details of Consultation

No consultation has taken place.

5. Options and Options Analysis (including risk assessment)

- (a) To delegate to the Head of Property Services authority to fix the auction reserve in conjunction with the Auctioneer, to agree to the payment of the auctioneers fees and to authorise the relevant officers to complete the sale. This would be in accordance with the Council's approval to dispose of property.
- (b) Not to sell the property. This would not be accordance with the Council's approval to dispose of the premises.

6. Officer Preferred Option and Comments

Option (a) is preferred for the reasons outlined above. To delegate to the Head of Property Services authority to fix the auction reserve in conjunction with the Auctioneer, to authorise payment of the auctioneers fees and to authorise the relevant officers to complete the sale.

7. Conclusion

That Members delegate to the Head of Property Services to fix the auction reserve and complete the sale.

RELATIONSHIP TO POLICY FRAMEWORK

There is no specific relationship to the policy framework.

**CONCLUSION OF IMPACT ASSESSMENT
(including Diversity, Human Rights, Community Safety, Sustainability etc)**

This report raises no implications.

FINANCIAL IMPLICATIONS

Should the property be sold then it would generate a capital receipt. Whilst the property has been recently valued, the auction sale will determine the actual market value. The current capital programme does not reflect any receipts for the sale of the above property, if and when a receipt is received it will be incorporated into the overall financing of the programme at the earliest opportunity.

SECTION 151 OFFICER'S COMMENTS

The Deputy Section 151 Officer has been consulted and has no further comments to add

LEGAL IMPLICATIONS

Legal Services have been consulted and would further advise that as the contract for sale is required to be signed away from Council offices in accordance with Article 14 of the Constitution, the Chief Executive will need to authorise two officers attending the auction to sign the contract of sale.

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

Exempt

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