

18 June 2012

Agenda Item: 7c

## **REPORT OF SERVICE DIRECTOR – TRANSPORT, PROPERTY & ENVIRONMENT**

### **CHAPEL FARM DEVELOPMENT SITE, LOW STREET, ELSTON, NEWARK, NG23 5PA**

#### **Purpose of the Report**

1. To seek approval of the Finance & Property Committee to: -
  - a) the sale by auction of Chapel Farm Development Site, Low Street, Elston, Newark, NG23 5PA;
  - b) the variation of a Deed of Surrender dated 4<sup>th</sup> November 2008 of Chapel Farm site and a Tenancy Agreement of same date in respect of adjoining land in order to facilitate the sale;
  - c) the grant of authority for the Service Director, Transport, Property & Environment, in consultation the Chair (or Vice Chair in his absence) of the Finance and Property Committee also in consultation with the Auctioneers shortly prior to the auction date, to set the reserve price.

#### **Information and Advice**

2. Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972. Having regard to the circumstances, on balance the public interest in disclosing the information does not outweigh the reason for exemption because divulging the information would significantly damage the Council's commercial position. The exempt information is set out in the exempt appendix.
  - a) This property has been declared surplus and is in the Capital Programme for disposal. It comprises part of the former Chapel Farm incorporating a barn, sheds and part derelict house. To enable the Council to realise a capital receipt it was considered strategically advantageous to the Council to negotiate a surrender of this part of the tenancy in order to secure planning permission for development and sell the land with the benefit of this planning permission.
  - b) Planning permission was secured on the 19<sup>th</sup> October 2011 for the demolition of the existing agricultural buildings and the construction of three two-storey

houses with attached garages. The existing two-storey house in the south-west corner of the site is to be retained and refurbished.

- c) The planning permission is subject to various conditions including an Environmental Study in part to consider ground contamination (desktop study carried out) and revised proposals for fencing.
- d) Prior to seeking planning permission the site was tenanted and a surrender agreement was entered in to with the tenant (who holds a tenancy, comprising in part, the adjoining Council owned house) imposing conditions which require the Council to erect boundary fencing of an agreed form and to construct a single garage plus store on the adjoining property. The obligations imposed on the Council by the surrender agreement are not fully compatible with the planning permission granted on the Chapel Farm Development Site and it has been agreed to vary the agreement, together with the tenancy of the adjoining land, to ensure consistency with the planning permission and to enable transfer of the obligations on to the purchaser.
- e) On the 31<sup>st</sup> January 2012, a report to the Cabinet Member of Finance and Property approved the marketing of the land for sale by auction with a further report to be submitted to seek approval for officer to set the reserve price in consultation with the Auctioneers shortly prior to the auction date.

### **Other Options Considered**

- 3. Consideration had been given to sale of the site by Private Treaty but it was concluded that since the site already had planning permission and was well located that the best value and greatest interest would be secured by an auction sale and that this was also the quickest route to securing a capital receipt.

### **Reason/s for Recommendation/s**

- 4. To achieve the early disposal of this land.

### **Statutory and Policy Implications**

- 5. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

### **RECOMMENDATION/S**

- 1. That the Finance & Property Committee approve: -
  - a) the sale by auction of Chapel Farm Development Site, Low Street, Elston, Newark, NG23 5PA;

- b) the variation of a Deed of Surrender dated 4<sup>th</sup> November 2008 of Chapel Farm site and a Tenancy Agreement of same date in respect of adjoining land in order to facilitate the sale;
- c) the grant of authority for the Service Director, Transport, Property & Environment, in consultation the Chair (or Vice Chair in his absence) of the Finance and Property Committee also in consultation with the Auctioneers shortly prior to the auction date, to set the reserve price.

**Jas Hundal**

**Service Director – Transport, Property & Environment**

**For any enquiries about this report please contact: Patrick Robinson 0115 977 2086**

**Constitutional Comments (CEH 24.05.12)**

- 8. The recommendations within the report fall within the remit to the Finance and Property Committee.

**Financial Comments (PB 24.5.12)**

- 9. Any sale will generate a capital receipt, which will be used to finance the Capital Programme. The auction costs will be funded from the Land Bank Budget within the Finance and Property Budget.

**Electoral Division(s) and Member(s) Affected**

- 10. Ward(s): Farndon and Muskham  
Member(s): Cllr Sue Saddington

File ref.: /PG/SB/00052

SP: 2241

Properties affected: 00052 - Chapel Farm