

meeting

**CABINET**

date

**27 July 2011**

**13**

## **Report of the Cabinet Member for Finance & Property**

### **COUNTY SMALLHOLDINGS - SALE OF ASSETS**

1. This report contains an exempt appendix which is not for publication by virtue of paragraph 1 & 3 of Schedule 12A of the Local Government Act, 1972 (as amended) (Information relating to any individual and the financial and business affairs of a particular person (including the authority holding that information)). It provides details of holdings from which individuals could easily be identified and financial data, disclosure of which would prejudice the Council's commercial property interests.

#### **Purpose of report**

2.
  - i) To seek Cabinet approval to dispose of a County Farm via auction by appointed agents; and
  - ii) The reserve price being approved by the Group Manager Property, Strategy, Compliance & Performance in Consultation with the Auctioneers prior to the Auction.

#### **Background**

3. The County Farms and Smallholdings Estate (CFSE) has been identified by the Building Rationalisation Board as property that would contribute towards capital receipts necessary to fund the Board's Programme.
4. The latest advice from the R.I.C.S. is that the agricultural property market has remained very buoyant with demand far exceeding supply. It is unlikely that there will be any great increase in the amount of land coming on to the market in the foreseeable future and therefore demand will continue to outstrip supply creating a very strong market for all types of rural property.
5. An assessment of the CFSE was been carried out. This showed that seven of the properties, including this one, have no perceived redevelopment potential as they lie in open country well outside village envelopes.

## **Method of disposal**

6. Where the tenant has either no interest in purchasing or agreement on market/sale price cannot be achieved then disposal by public auction is the preferred means of sale.
7. Recently, sales of the Authority's property by private treaty has been shown to be extremely time consuming and costly. This has been due to purchasers reducing offers, delaying matters, making offers subject to various conditions and other problems.
8. An auction sale gives certainty, transparency and speed of sale. It also quickly generates a capital receipt and eliminates the Authority's repair liability.
9. An additional charge of 2% of the sale price will be collected from purchasers to cover the costs incurred in the selling of the property.

## **Other options considered**

10. There are no other options possible in order to achieve the capital receipts targets for relevant financial years other than to sell assets.

## **Statutory & Policy Implications**

11. The report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, human resources, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they have been described in the text of the report.

## **RECOMMENDATION**

12.
  - i) That approval is given to the disposal of a County Farm by auction via appointed agents, as detailed in the appendix annexed to the report; and
  - ii) That approval is given to the reserve price being approved by the Group Manager Property, Strategy, Compliance & Performance in Consultation with the Auctioneers prior to the Auction.

## **Constitutional Comments (SOM 01-07-2011)**

13. This decision falls within the delegation to Cabinet. Under S123 of the Local Government Act, 1972 the Council is required to obtain the best price reasonably obtainable for disposal of land, failing which it must comply with the General Disposal Consent Order. These are the matters which the decision makers must be satisfied with prior to approving the recommendation made.

## **Financial Comments (PB 04-07-2011)**

14. As indicated in the report any sale will generate a capital receipt which will be used to fund the capital programme.  
A budget adjustment will be given for the loss of income.

## **Background Papers Available for Inspection**

15. None.

## **Electoral Division(s) Affected**

16. Bingham

**Councillor Reg Adair**  
**Cabinet Member for Finance & Property**

## **Contact Details**

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