

25 April 2016**Agenda Item: 6c****REPORT OF SERVICE DIRECTOR ENVIRONMENT, TRANSPORT &
PROPERTY****CHAPEL FARM, LOW STREET, ELSTON, NEWARK NG23 5PA****Purpose of the Report**

1. To report on the marketing of the property, and offers received.
2. To seek approval to enter into a contract for the sale of Chapel Farm Development site, Low Street, Elston, Newark.

Information and Advice

3. Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972.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 exempt appendix.
4. The Property comprises part of the former Chapel Farm incorporating a barn, sheds and a derelict house.
5. Surrender of the above part of Chapel Farm was negotiated in order to facilitate a sale.
6. Planning permission was secured on 19th 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 southwest corner of the site to be retained and refurbished.
7. Committee approval was granted on 18 June 2012 to:
 - a) the sale by auction of Chapel Farm Development Site, Low Street, Elston, Newark;
 - b) the variation of a Deed of Surrender dated 4th 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 with the Chair (or Vice Chair in his absence) of the Finance and Property Committee also in consultation with the Auctioneers shortly prior to auction date, to set the reserve price.
8. The disposal of the property went to auction in November 2013 but failed to sell.
 9. The planning permission subsequently expired and a new improved consent was obtained on 18th February 2015 for the refurbishment of the farmhouse and the erection of 3 x 4 bedroomed detached houses.
 10. On 27th May 2015 approval was obtained to appoint selling agents (by tender process) to market the site by private treaty.
 11. The property has now been marketed seeking best and final offers by 10th July 2015. Offers were received from six parties, on an unconditional contract basis, save for one on a minor conditional basis.
 12. Committee approval was obtained in September 2015 to contract with the highest bidder. However, if they failed to exchange and complete within 2 months or fell away, then the second highest unconditional bidder would be offered the sight.
 13. Unfortunately the first bidder withdrew late in the day and the second bidder had then committed to another project.
 14. A mini retender of the remaining four bidders has been undertaken and a summary of the offers received is contained in the exempt appendix.

Other Options Considered

15. An alternative to disposal would be the letting of the property, but the letting potential of the site is not considered likely to deliver a significant income stream, with a high risk of significant void (empty) periods.
16. Consideration had been given to sale of the site by Auction again but it was concluded that since the site already had been to Auction and failed to sell, and a better, more marketable planning permission was obtained, that now best value and greatest interest would be secured by a private treaty sale on an unconditional basis.
17. To retain the site but this would incur ongoing costs to the County Council i.e. fly tipping, etc.

Reason/s for Recommendation/s

18. The Authority has no strategic or operational requirement for the property.

Statutory and Policy Implications

19. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working 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 bids received for the site as detailed in the exempt appendix are noted.
- 2) That approval to be given to the sale of property on terms detailed in the exempt appendix.

Jas Hundal

Service Director – Environment, Transport & Property

For any enquiries about this report please contact: Gael Gamble 0115 977 2083

Constitutional Comments (CEH 21.03.16)

20. The recommendations fall within the remit of the Finance and Property Committee. When disposing of its land the Council is required to obtain the best price reasonably obtainable on the open market.

Financial Comments (GB 23.03.16)

21. The financial implications are set out in the report and the exempt appendix.

Background Papers and Published Documents

22. None.

Electoral Division(s) and Member(s) Affected

23. Ward(s): Farndon and Muskham
Member(s): Councillor Sue Saddington

File ref.: /GG/SB/00250

SP: 3028

Properties affected: 00250 - Old Farm House