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# Prospect Place - land disposal

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**Committee considering report:** Executive on 27 July 2017

**Portfolio Member:** Councillor Dominic Boeck

**Date Portfolio Member agreed report:** 6 July 2017

**Report Author:** Richard Turner

**Forward Plan Ref:** EX3351

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## 1. Purpose of the Report

- 1.1 To obtain authority to dispose of the freehold of land at Prospect Place Newbury.

## 2. Recommendation

- 2.1 That West Berkshire Council disposes of its freehold interest in the land at Prospect Place Newbury.

## 3. Implications

- 3.1 **Financial:** Capital receipt in lieu of annual rental.
- 3.2 **Policy:** No identified impact on policy.
- 3.3 **Personnel:** No identified impact on personnel.
- 3.4 **Legal:** Required to transfer title.
- 3.5 **Risk Management:** No identified risks with the disposal.
- 3.6 **Property:** Prepare instructions for WBC Legal Services conveying the terms of the sale.
- 3.7 **Other:** None identified.

## 4. Other options considered

- 4.1 Continue to lease the site and consider selling the adjoining plot separately.

This option is unlikely to be attractive to prospective purchasers due to the proximity to an adjacent sub station and unlikely to realise a capital receipt any greater than that offered.

- 4.2 Sovereign Housing Association has been approached to establish if there is any interest in developing the land adjacent to the sub-station. Sovereign has confirmed the site is too small for them to develop.

## Executive Summary

### 5. Introduction / Background

- 5.1 The Scheme of Delegation within the Constitution (s. 3.13.13) allows delegated authority for the Head of Legal Services to authorise the sale of property up to a specified threshold. This report recommends the disposal of the freehold of a property at an amount which is beyond this threshold, requiring Executive approval.
- 5.2 West Berkshire Council owns the freehold of a site which it has leased to a private organisation since the early 1990's.
- 5.3 The tenant approached the Council with a proposal to acquire the freehold of the land they lease and the adjacent piece of land also owned by WBC.

### 6. Proposal

- 6.1 The site is comprises 989 sq m (0.25 acres).
- 6.2 The land has no current operational use by WBC and has remained largely unused for a number of years. We have fenced off the land to prevent unlawful access or use.
- 6.3 The tenant approached the Council with an initial proposal to purchase the freehold of the site. The offer made was considered to be inadequate and following negotiations an increased figure has provisionally been agreed for the freehold interest, subject to there being a 40 year claw back provision whereby if any planning consent is obtained that enhances the value of the site, 50% of any increase will be payable to WBC.
- 6.4 In order to verify the deal, local commercial agents were requested to undertake a valuation of the site and the report received supports the proposed disposal figure.

### 7. Conclusion

- 7.1 If the Council continues to lease the land it will only receive the current low levels of rental income with the nature of the site meaning marketing and general sale of the site would be limited in scope and expected capital outcome.
- 7.2 It is recommended that the sale of the freehold interest to the current tenant should proceed.

### 8. Appendices

- 8.1 Appendix A – Site plan