



DERBY CITY COUNCIL

COUNCIL CABINET
14 JUNE 2005

Report of the Director of Corporate Services

ITEM 15

Quarn Lodge Woodlands Lane Allestree Park

RECOMMENDATION

1. To authorise a sale by auction and delegate to the Director of Corporate Services to set a reserve price.

REASONS FOR RECOMMENDATION

- 2.1 The lodge at Woodlands Road, shown edged black on drawing number 6420 at Appendix 2, has been let for many years on a Service Tenancy Agreement to a Park Ranger. The rent for such lettings is at equivalent fair rent and is then further discounted to reflect the additional duties carried out by the Ranger. The current rent received is £34.07 per week.
- 2.2 In the review of residential properties in parks and cemeteries, officers identified that this is a valuable two-bedroomed property which is in relatively poor condition and is producing a low income. It is also on the edge of the park and not in the ideal position for the Ranger to carry out security duties out of hours of the park buildings. Following discussions with the tenant, he has now agreed to move out of the lodge upon payment of statutory compensation which will release this building. The service duties around Allestree Park are now being carried out by a new service tenant in the flat above the stable block adjacent to Allestree Hall.
- 2.3 Because of the nature of the property and the success that we have achieved by offering other properties of this nature for sale by auction, disposal by this means is recommended. Because a sale by auction creates a contract once the highest bid is accepted, prior authorisation is needed for sale, which is anticipated will comfortably exceed the £100,000 threshold necessary for Cabinet authorisation.
- 2.4 It is likely that the auction will be held on 17 August 2005 and the auctioneer will publish a guide price of £180,000, but a reserve can be set at a different level based on the level of interest shown in the property. It is proposed that the setting of the reserve price is delegated to the Director of Corporate services just prior to the auction.

SUPPORTING INFORMATION

3. None.

OTHER OPTIONS CONSIDERED

4. The house could only be re-let on a Service Tenancy at a low rent, as otherwise it would be a Secure Tenancy which would enable any future tenant to submit a Right to Buy and acquire the property at a discounted figure. Once the property does become empty, it could be vulnerable to vandalism if not sold relatively quickly.

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Background papers: None
List of appendices: Appendix 1 – Implications
Appendix 2 - Plan

IMPLICATIONS

Financial

- 1.1 The auction fees will be offset against sale proceeds. The Compensation payment of £5,575 will be added to the capital programme as it increases the open market value of the building and is therefore considered to be enhancement. This will also be met from sale proceeds.
- 1.2 The remaining proceeds will be used to fund the Corporate Capital Programme as part of the 2006/07 budget process.

Legal

2. The contract would arise at the auction if a bid is made in excess of the reserve.

Personnel

3. The Service Tenancy has been brought to an end by agreement and the tenant will be paid statutory compensation and disturbance for the loss of his home.

Equalities impact

4. None.

Corporate objectives and priorities for change

5. The proposal furthers the priorities of **minimising increases in Council Tax and increasing value for money.**

