



DERBY CITY COUNCIL

**COUNCIL CABINET**  
**14 JUNE 2005**

Report of the Director of Corporate Services

## **Sale of Land at Corner of Wood Road and Wayfaring Road**

### **RECOMMENDATION**

1. To authorise the sale by auction of the land shown edged black on drawing number 5413/6, amounting to 0.11 hectares of land, at the corner of Wood Road and Wayfaring Road, Oakwood and delegate the setting of a reserve price to the Director of Corporate Services.

### **REASONS FOR RECOMMENDATION**

- 2.1 The land has been identified as a potential residential development site for some time and is surplus to requirements.
- 2.2 Other options have been considered. The background to the site is provided at 3.1 below.
- 2.3 Recent sales at auction, including the sale of Elmhurst, have been successful and produced substantial capital receipts. A sale by auction creates a contract once the highest bid is accepted provided that it meets the reserve. The sale is therefore more certain than a sealed bid process.
- 2.4 Prior authorisation is needed for a sale which it is anticipated will exceed the £100,000 threshold necessary for Cabinet approval.
- 2.5 Once instructed the auctioneer will commence marketing the site and will publicise a Guide Price, but a reserve can be set at a different level.

### **SUPPORTING INFORMATION**

- 3.1 The site was purchased in 1955 as part of a wider City Council residential development acquisition, though nothing was ever built on the site. It was grassed until a suitable development project could be found for it. Cabinet considered a proposal to dispose of the site to a Housing Association in October 2003 but did not approve the disposal. The decision proposed in principle retaining the land as open space for the benefit of all residents and to ask officers to investigate the practicalities of doing so. Officers have considered the site for adoption as public open space but funding for its transfer to that purpose and for its future maintenance are not available.

- 3.2 Planning permission has been granted for the development of eight two-bedroomed flats with associated car parking. This permission expires on 22 April 2008. An application for an alternative residential development scheme may be submitted by the purchaser.
- 3.3 No marketing of the site has taken place and a detailed development proposal is as yet unknown. An interested developer would have flexibility to formulate their own suitable scheme, subject to obtaining planning permission.

#### OTHER OPTIONS CONSIDERED

4. The land has been declared surplus so the method of disposal was considered. Sale by auction creates a contract once the reserve has been met and minimises problems and delays associated with other informal disposal methods. It also demonstrates the achievement of best price.

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**Background papers:** None  
**List of appendices:** Appendix 1 – Implications  
Appendix 2 – Drawing number 5413/6

<b>IMPLICATIONS</b>
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### Financial

- 1.1 The land is held within the Housing Revenue Account, and so 100% of this receipt will be useable for affordable housing or regeneration projects under the amended rules on the use of receipts stemming from the disposal of housing land.
- 1.2 The proceeds of the sale could alternatively be put towards the Council's corporate capital programme. However, if the receipt were used for this purpose then 50% of the receipt, net of the Council's administration costs would have to be paid to the Government. In view of the substantial loss this would entail this option is not deemed to be Best Value.
- 1.3 The costs of marketing and sale by auction would be taken directly from the sale price.

### Legal

2. A contract would arise at the auction if a bid meets or exceeds the reserve.

### Personnel

3. None.

### Equalities impact

4. None.

### Corporate Themes and Priorities

- 5.1 The proposal promotes the Council's objectives to have **a shared commitment to regenerating our communities** of the Corporate Plan.
- 5.2 The proposed receipt may also assist the Council to achieve the Corporate Plan targets relating to affordable housing provision in that the funds could be made available to assist with the development of future schemes.

## Appendix 2

