

10th October 2006

Meeting of the Executive

Report of the Corporate Landlord

2 High Petergate, York

Summary

- 1 This report seeks approval for the sale of the freehold interest in 2 High Petergate.

Background

- 2 The subject property is shown edged black on the plan in Annex 1.
- 3 The property is the subject of a 21 years full repairing and insuring lease from 1 February 1996 to the adjoining property owners, Holdercraft Ltd who operate a hotel from 4 High Petergate. The rent is £19,400 per annum which is reviewed every 3 years. The property is currently being used as a bistro/café on the ground floor with hotel bedrooms on the first and second floors.
- 4 The freehold sale of the property is included in the 2006/2009 Capital Receipts Programme as approved by the Council in March 2006, and in light of this and need to make progress on sales, the property has been put on the market for sale. The closing date for offers however, is after the date of this meeting and therefore the council is not committed in any way to sell the property.

Consultation

- 5 Ward member consultation took place on 9th August 2006 and no adverse comments were received.

Options

- 6 There are two options available:-
 - Option 1- To sell the property.
 - Option 2- To retain the property within the commercial portfolio.

Analysis

7 Option 1 – Sell the Property

The sale has the advantage of raising a capital receipt to support the council's capital programme.

Option 2 – Retain the Property

The Council would keep the rental income for the property.

Corporate Objectives

- 8 Members have earmarked this property for disposal to contribute towards the funding of the capital programme, therefore a sale would contribute towards corporate objectives by the raising of finance for approved schemes.

Implications

- 9 The following information is provided:

- **Financial**

The financial analysis of the two options is contained in Confidential Annex 2.

- **Human Resources (HR)**

There are no HR implications

- **Equalities**

There are no equality implications

- **Legal**

There are no legal implications to the proposed disposal

- **Crime and Disorder**

There are no crime and disorder implications

- **Information Technology (IT)**

There are no IT implications

- **Other**

Property implications are contained within the report.

Risk Management

- 10 The risk implication is to the 2006-2009 capital receipts programme is that if a sale is not achieved the highest offer is below the reserve figure. This risk is considered low as there is a high market demand for investment opportunities in York.

Recommendations

- 11 The Executive is asked to consider approving Option 1.

To approve the freehold sale of the property by informal tender on the open market provided the best offer received is at or above the reserve figure.

Reason: To secure a capital receipt

Support the capital programme

Contact Details

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**Report
Approved**



Date 15th September 2006

Wards Affected: Guildhall

Background Papers: All the information please in this report is held on the Property Services file, subject to confidential or exempt information.

Annex 1 – Plan

Annex 2 – Confidential Information