

WYPCC –Decision Paper

From: John Prentice, Director of Business Services

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Timing: Pressing

Purpose: For Decision by Mark Burns-Williamson

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SUBJECT OF ADVICE – To finalise the disposal of the former Horsforth Police Station

Summary: This paper recommends completing the sale of Horsforth Police Station to Rouse Homes for £1.08m.

Horsforth Police Station was marketed in 2012 and acceptance of an offer from Rouse Homes approved by the PCC in December 2012. The offer accepted of £1.158m was conditional on Rouse Homes obtaining planning consent for a residential development and carrying out satisfactory ground investigations. As discussed in the December 2012 paper conditional offers carry a risk of being withdrawn if the conditions aren't realised and also carry a risk the price will be reduced as assumptions made informing the conditions are better informed as the purchaser carries out due diligence and works up a detailed planning application. In this case as Rouse Homes have now received planning consent and advanced their redevelopment scheme they have identified the following abnormal costs that sit outside the conditions of their offer;

Unacceptable Planning Conditions (unanticipated public open space contributions and Traffic Regulation Order requirements): £30k

Abnormal Development Matters (Enhanced depth foundations and removal of contamination including red shale): £38k

Tree removal/bat survey and service disconnection: £10k

These adjustments reduce the sale price by £78k to £1.08m. The level of adjustments made has been agreed as acceptable by BNP Paribas Real Estate, the Force's marketing agents for this sale.

As reported in the PCC Decision Paper in December 2012 the highest unconditional offer received for the property was £528k below the level of Rouse's offer and the adjusted sale price remains significantly in excess of that level.

Rouse Homes are keen to complete the purchase of the property during the week commencing 16th September 2013 to begin demolition soon after and all legal matters are agreed.

Recommendation: To complete the sale to Rouse Homes at £1.08m.

Affordability: Completing the sale will generate a capital receipt of £1.08m for the Force. It will also remove the remaining holding costs of £25k a year and remove the ongoing maintenance and security liabilities.

The revised sale price justifies accepting a conditional offer as it realises a price significantly greater than the highest unconditional offer received.

Risks/Legal Opinion: The property has recently become subject to significant vandalism which increases holding costs and the occupier's liability to West Yorkshire Police should the property be retained for a further period of time. Force Legal Services have been consulted and no unusual issues are expected with sale completion.

Supporting and dissenting Views: BNP Paribas Real Estate and the Estates Department support the decision and recommend the sale at £1.08m. No further external consultation has been carried out since the PCC Decision Paper in December in 2012 by which time Horsforth Police Station had been closed and marked for sale for a number of months. Division reported at the time of closure of Horsforth Police Station no objections were received during consultation with local partners and the local community.

Equality, diversity and human rights considerations: No issues