

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 3 November 2014

Portfolio: Policy and Resources
Subject: **Sale of Gillies Public Car Park**
Report of: Director of Finance and Resources
Strategy/Policy: Asset Management
Corporate Objective: A dynamic, prudent and progressive Council
Maintain and Extending Prosperity

Purpose:

To report the terms agreed with Aldi Stores UK for the purchase of the Gillies public car park situated off of West Street, Fareham.

Executive summary:

The Council has been approached by the agent acting on behalf of Aldi Stores UK. Aldi have just extended their store at 208 - 228 West Street. Parking has always been a major issue for Aldi and they are looking at ways of addressing this.

One opportunity for Aldi is to purchase the adjoining Gillies Council owned car park which links directly to their existing store car park. Terms for the sale of the car park have been agreed as set out in the confidential Appendix A.

Recommendation/Recommended Option:

That the Executive approves the terms agreed with Aldi Stores UK as set out in the confidential Appendix A for the purchase of the Gillies public car park.

Reason:

To obtain the approval to the terms agreed with Aldi Stores UK for the purchase of the Gillies public car park.

Cost of proposals:

The sale price for the car park is set out in the confidential Appendix A.

- Appendices:**
- A:** Confidential appendix setting out the terms agreed with Aldi Stores UK for the purchase of the Gillies public car park (Exempt By virtue of paragraphs (3) of Part 1 of Schedule 12A of the Local Government Act 1972.)
 - B:** Plan showing site of the Gillies car park

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Executive Briefing Paper

Date: 3 November 2014

Subject: Sale of Gillies Public Car Park

Briefing by: Director of Finance and Resources

Portfolio: Policy and Resources

INTRODUCTION

1. The Council has been approached by the agent acting on behalf of Aldi Stores UK. Aldi have just extended their store at 208 - 228 West Street. Parking has always been a major issue for Aldi and they are looking at ways of addressing this. Aldi state this is a popular store for the residents of Fareham as shown by the recent extension and accordingly the improvement of customer car parking will maintain its future within the town centre.
2. One opportunity for Aldi is to purchase the Council owned Gillies public car park as shown edged red on the plan attached as Appendix B which links directly to their existing store car park. It is proposed that the access road from West Street to the car park as shown cross hatched on the plan will be retained by the Council.
3. The Council's car park is underused as referred to in the financial implications section of the briefing paper. Therefore the approach from Aldi presents an opportunity for the Council to obtain a capital receipt from the sale.
4. When the Town Centre Parking Strategy was presented to the Executive at its meeting on 3 December 2012, one of the actions (1a) from the implementation plan was: Enable the decommissioning and sale of the Gillies car park when the opportunity arises for disposal via Estates. The reason for this decision was that the Gillies car park saw consistently low occupancy levels due to its location and access arrangements.

SALE TERMS

5. Having regard to action (1a) of the Town Centre Parking Strategy implementation plan referred to in paragraph 4, terms have been agreed with Aldi Stores UK for the purchase of the car park and are set out in the confidential Appendix A for the approval of the Executive.

LEGAL CONSIDERATIONS

6. Following advice received from the Southampton & Fareham Legal Services Partnership the Council are in a position to negotiate a private treaty freehold disposal with Aldi as opposed to placing the car park in the open market. This is possible because the Council's car park is located adjacent to Aldi's store which puts them in a special purchaser position. The sale price obtained will have to be the best consideration achievable in accordance with S123 of the Local Government Act 1972. The purchase price agreed by the Head of Estates with the agent acting on behalf of Aldi Stores UK satisfies the S123 test.

FINANCIAL IMPLICATIONS

7. The Gillies long stay car park is the least used and least accessible of the car parks and is consistently under-occupied. This is due to its poor network presence, poor quality environment and problematic access arrangements.
8. This car park has seen a decline in occupancy year on year. There is also upkeep and maintenance costs to be considered for the car park such as machine maintenance cash collection as well as the time taken by officers to patrol.
9. This car park is therefore not presenting good value for money in terms of enforcement, maintenance and payment machine collection costs. Therefore the parking strategy would not be undermined if this site were to be allocated to other uses, potentially in accordance with the proposals outlined in the Development Sites and Policies Plan.

CONCLUSION

10. Terms have been agreed with Aldi Stores UK for the purchase of the Gillies public car park. The terms are set out in the confidential Appendix A and are recommended for approval by the Executive.