
A separate report is submitted in the private part of the agenda in respect of this item, as it contains details of financial information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972. The grounds for privacy are that it refers to the identity, financial and business affairs of an organisation and the amount of expenditure proposed to be incurred by the Council under a particular contract for the supply of goods or services.

Cabinet Member for Jobs and Regeneration

31 August 2016

Name of Cabinet Member:

Cabinet Member for Jobs and Regeneration – Councillor J O'Boyle

Director Approving Submission of the report:

Executive Director of Place

Ward(s) affected: St. Michaels

Title:

The Former Parish Rooms, Vecqueray Street, Coventry

Is this a key decision?

No

Executive Summary:

This report seeks approval to the sale of the Council's freehold interest in the property known as the Parish Rooms, Vecqueray Street, Coventry

The property is subject to a ground lease from December 1990 at a peppercorn rent without review. The lease expires in 2089. The premises are used for student accommodation and the Council received a premium on the grant of the lease in 1990

The current lessees have approached the Council to acquire the freehold interest and have offered a capital sum plus payment of the Council's reasonable surveyors and legal fees.

The freehold is not part of a strategic land holding and the Council would not expect to receive any further payments under the terms of the lease. The disposal of this ground lease is consistent with the Council's recent policy of selling freeholds subject to long leaseholds where there is little or low return to the Council during the term of the lease.

Recommendations:

The Cabinet Member for Jobs and Regeneration is recommended to:

1. Approve the disposal of the Council's freehold interest in this property at the purchase price as detailed in the private report relating to this matter on the agenda
2. Delegate authority to the Executive Director of Resources to complete the freehold sale and collect the agreed consideration

List of Appendices included:

Plan

Other useful background papers:

None

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

1. Context (or background)

- 1.1 The property known as The Parish Rooms Vecqueray Street (“the property”) was sold by the Council on a long lease at a peppercorn rent in 1990 and a lease premium was paid at that time. The lease has 73 years to run without review. In 2011 planning permission was obtained to change the use of the property to student accommodation and the property is now used for this purpose.
- 1.2 The current lessee’s have approached the Council to acquire the freehold interest in the property and following a period of discussion a capital sum has been offered.
- 1.3 In recent years the Council has sold its freehold interests of low income producing ground leases of non-strategic holdings. This property fits into this category and its disposal is consistent with policies pursued in recent years.

2. Options considered and recommended proposal

- 2.1 The recommended option is to agree to the sale of the Council’s freehold interest.
- 2.2 A second option is to refuse the request and in turn the Council would not receive any consideration payment.
- 2.3 It is recommended that the Council accept the offer of the consideration and dispose of the freehold interest to the current lessees.

3. Results of consultation undertaken

- 3.1 None

4. Timetable for implementing this decision

- 4.1 Providing that Cabinet Member approval is secured it is expected that this receipt will be received within this financial year.

5. Comments from Executive Director of Resources

- 5.1 Financial implications

This decision, if approved, will generate a capital receipt, which will contribute to the Council’s planned programme of capital disposals. The disposal programme, in line with Corporate Policy supports the Medium Term Financial Strategy.

- 5.2 Legal implications

The consideration for the freehold sale represents best value reasonably obtainable by the Council. This meets the Council’s obligations to obtain best value under the requirements of section 123 of the Local Government Act 1972.

Officers within legal services will complete the necessary freehold transfer and will collect the agreed consideration.

6. Other implications

6.1 The receipt will contribute to the Council maintaining a balanced budget in the medium term thus helping preserve services for the people of Coventry.

6.2 How is risk being managed?

This is a capital receipt, there are no risks.

6.3 What is the impact on the organisation?

There is no significant impact on the organisation arising from this proposal. An opportunity has arisen for the Council to receive a capital payment and this opportunity has been realised.

6.4 Equalities / EIA

This is a property transaction and an Equality Impact Assessment is not required.

6.5 Implications for (or impact on) the environment

There are no implications for the environment.

6.6 Implications for partner organisations?

There are no implications for partner organisations.

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Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
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Member: Councillor O'Boyle	Cabinet Member for Jobs and Regeneration		15.08.16	15.08.16

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