

To: City Executive Board

Date: 26th November 2008 **Item No:**

Report of: Interim Head of Property & Facilities Management

Title of Report: DISPOSAL OF ROWLANDS HOUSE, RISINGHURST, OXFORD

Summary and Recommendations

Purpose of report: This report arises from a decision by Executive Board on the 19th February 2007, which approved the disposal and marketing of Rowlands House.

This report outlines the process adopted and makes a recommendation to proceed with the best achievable price.

Key decision? Yes

Executive lead member: Councillor Ed Turner

Report Approved by: Jeremy Thomas (Legal and Democratic Services)
Steve Sprason (Interim Head of Property & Facilities Management) Dave Higgins (Finance)
Chris Pyle (Oxford City Homes)
Councillor Ed Turner (Improving Housing)

Policy Framework: To meet the Decent Homes Target by 31st December 2010.

Recommendation(s): Executive Board is recommended to approve acceptance of the best offer currently available as detailed in the Confidential Appendix to this report. In the event that the proposed purchaser does not proceed at this level, the Board is requested to permit the Interim Head of Property & Facilities Management to proceed with a sale to any future bidders, at or above open market value.

Background

1. This report follows the 19th February 2007 Executive Board approval to dispose of this property on the open market.
2. Cluttons, a local independent agent were instructed to market the property on the open market in May 2007. Following four months of marketing, six offers were received, the highest of which was submitted for approval to Executive Board.
3. On 4th February 2008 the Executive Board gave its approval to sell the property at a figure at/or above the then open market valuation detailed in Section 1 of Appendix 1.
4. The recommended purchaser, whose offer was above the figure in Section 1, withdrew their offer on the day of completion and as such a further marketing period was progressed.
5. In this declining market, it has been difficult to find alternative purchasers at or above the original open market valuation threshold approved by the Board on 4th February 2008.
6. The property requires substantial expenditure to bring it to an acceptable standard, which together with the lack of available bank finance meant that the agent has re-valued the property and has formally provided a current open market valuation as of 1st July 2008, detailed in Section 3 of Appendix 1.

Proposal

7. An offer has been submitted as detailed in Section 2 of Appendix 1 to this report. The purchaser has the funding to proceed and intends to refurbish the property and let the property as individual flats in the market.
8. The property is part of HRA assets and consent of the Secretary of State will be required as this proposed disposal is not covered by the General Consents in Section 32 of the Housing Act 1985.
9. On the basis of the figures as set out in this report the proposed disposal complies with Section 123 of the Local Government Act 1972, whereby Councils are required in all property transactions to seek “the best consideration reasonably obtainable in the circumstances”. It is therefore recommended that the Council approve this disposal.

Financial implications

10. The disposal of this property represents a significant capital receipt for the City Council and the income will go towards the Decent Homes Programme, which needs to be met by 2010.
11. The disposal of this property shall relieve the City Council of the continuing expenditure consequences of holding a vacant property and as such will provide revenue relief.
12. Executive Board is recommended to approve acceptance of the best offer currently available as detailed in the Confidential Appendix to this report. In the event that the proposed purchaser does not proceed at this level, the Board is requested to permit the Interim Head of Property & Facilities Management to proceed with a sale to any future bidders, at or above open market value.

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Background papers: None

