

To: City Executive Board

Date: 1st April 2009

Item No:

Report of: Interim Head of Property & Facilities Management

Title of Report: Disposal of 16 Tyndale Road

Summary and Recommendations

Purpose of report:	<p>This report arises from a decision by Executive Board on 5th November 2007, which approved the disposal and marketing of 16 Tyndale Road.</p> <p>This report outlines the process adopted and recommendation to proceed with the best achievable price.</p>
Key decision?	No
Executive lead member:	Councillor Bob Price - Leader Councillor Ed Turner - Finance, Housing and Strategic Planning
Report Approved by:	Jeremy Thomas (Legal & 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:	Corporate Plan - More housing, better housing for all - to meet the Decent Homes Target by 31st December 2010.
Recommendation(s):	City 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, the Board is

requested to permit the Interim Head of Property & Facilities Management to proceed with a sale to any future bidders, at or below the original open market value (OMV).

Background

1. This property is part of a disposal programme of vacant HRA properties. On 5th November 2007 Executive Board gave in principle approval to the disposal and marketing of 16 Tyndale Road, as shown on the attached plan.
2. Subsequently a local independent agent was instructed to market the property and a number of offers were received, at or above the open market value as set out in Section 1 of Appendix 1, which were submitted to Executive Board on 17th March 2008.
3. The recommended purchaser subsequently withdrew interest and the other under-bidders also withdrew.
4. The property was remarketed and the agent acting on behalf of the City Council has strived to find further purchasers but due to the general economic climate and declining housing market any bids received have been much lower than the originally reported Open Market Value.
5. This property is in poor condition and will require substantial funding to bring it back to an acceptable standard and for this reason the agent has approached the Council advising a more realistic open market value, as set out in Section 2 of Appendix 1, would be more appropriate in this current climate.

Proposal

6. Four offers have been received, as detailed in Section 3 of Appendix 1 to this report. The highest bidder would be a cash purchaser and would be in a position to proceed to a quick completion. It is understood the purchaser intend to refurbish the property for their own occupation.

Legal Implications

7. The property is part of HRA assets and consent of the Secretary of State will not be required as this disposal is to an individual (and not purchased from the Council in the last 12 months) for the best consideration that can be reasonably obtained under the General Housing Consents 2005 (A.5.1.1).

Financial Implications

8. 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 will need to be completed by 2010. Housing colleagues have confirmed that the receipt is required for that purpose.
9. The disposal will remove the costs of holding a currently vacant property.

Environmental Implications

10. There are no environmental issues arising from the contents of this report.

Risk Implications

11. There is clearly a risk in the current financial climate that a disposal of the property in the short term for the price proposed may not be achievable.
12. In the event that a sale does not proceed, there is a risk of deterioration in asset value, the Council continuing to bear the costs of void management, and reputational risk through continuing to hold a vacant deteriorating asset.

Equalities

13. There are no equalities issues arising from the contents of this report.

Recommendations

14. City Executive Board is recommended to approve acceptance of the highest offer received, as detailed in the Confidential Appendix to this report. In the event 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 the under-bidders listed at or below the original open market value.

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Background papers: None

