

**To:** City Executive Board

**Date:** 1<sup>st</sup> July 2009 **Item No:**

**Report of:** Interim Head of Property & Facilities Management

**Title of Report:** Proposed Disposal of Shared Ownership Flats Nos 9,11,13, Albert House, Albion Place, Oxford

### **Summary and Recommendations**

**Purpose of report:** To seek approval to the grant of shared ownership leases of Flats 9,11,13 Albert House, Albion Place, Oxford.

**Key decision?** No

**Executive lead member:** Councillor Joe McManners - Oxford City Homes  
Councillor Oscar van Nooijen – Service Transformation

**Report approved by:** Mel Barrett, Executive Director, City Regeneration

**Finance:** Chris Kaye  
**Legal:** Jeremy Thomas

**Policy Framework:** West End Regeneration Proposals.  
More Housing, Better Housing for All.

**Recommendation(s):** To approve the grant of 125 year leases of:  
Flat No 9 to Nicola Gibbons,  
Flat No 11 to Priscilla Martin,  
Flat No13 to David and Paula Dancer,  
on the basis set out in the report and confidential Appendix, and otherwise on terms and conditions to be approved by the Interim Head of Property and Facilities Management

Background

1. On 20<sup>th</sup> November 2006, the former Executive Board agreed the making of a Compulsory Purchase Order (CPO) for the redevelopment of the Westgate Shopping Centre and car park. The Order empowers the Council to acquire any third party interests in the 14 flats at Abbey Place which are included in the CPO. In order to facilitate the redevelopment scheme, the developer agreed in October 2007 to construct 14 replacement flats on a Council owned site at Albion Place (shown on the attached plan). The 14 flats at Albert House, Albion Place, were completed and handed over to Oxford City Council in September 2008.

### Report

2. Three of the Abbey Place flats (Nos 10,11 and 12) are let on shared ownership leases. In order that decanting of residents from Abbey Place can proceed whilst negotiations on the future of the redevelopment scheme are taking place, the developer has agreed to fund the purchase of the three shared ownership leases at Abbey Place. All three shared owners have provisionally agreed terms for new shared ownership leases at Albert House, and the sale of their existing leasehold interests in Abbey Place back to the Council, in accordance with the 20 November 2006 decision.
3. The new leases at Albert House will be for terms exceeding 50 years, therefore the consent of the City Executive Board is required.

### Terms

4. The leases will be for a term of 125 years, at a ground rent of £125 per annum. Full details of the purchasers, shares and flats to be sold are detailed on the confidential Appendix to this report.

### Risk Implications

5. If the shared owners do not proceed to move to Albion Place on the basis outlined above, they can for the time being remain in their flats at Abbey Place, which are subject to the confirmed Compulsory Purchase Order. They have been advised of the Council's intention to make a General Vesting Declaration, and service of Notices to effect this can be made up to May 2011 (three years from confirmation of the Order).

### Financial Implications

6. Under the terms of the main Westgate Development Agreement dated 6 December, 2007, the City Council will reimburse the developer its costs in funding the purchase of the Abbey Place flats out of the proceeds of the sale of the shares in the Albert House units. This circular arrangement is cost neutral for the City Council because under the terms proposed, the Abbey Place costs will be fully funded from the

sale of the initial shares in Albert House. Two owners are making small additional payments to maintain their percentage share so there is a small capital surplus to the City Council in the transaction. In the event that the shared owners wish to purchase further shares, the proceeds will be retained by the City Council (Housing Revenue Account).

7. The shared owners will pay a weekly rent based on the proportion of the flat value retained by the Council, as set out in the confidential Appendix. Rents and other income (e.g. service charges) will be credited to the Housing Revenue Account.
8. The costs incurred by the Councils property and legal consultants in negotiating the sale and repurchase of the two sets of property interests will be met by the developer, along with any other reasonable disturbance costs claimed by the shared owners.
9. Authority to purchase the Abbey Place flats was given in November 2006 (min 168) and for that reason consideration of the detailed terms of those acquisitions are not the subject of this report.

#### Legal Implications

10. The Albert House properties are now held within the Housing Revenue Account, The three disposals (ie grant of shared leases) are covered by the General Consents 2005 (General Consent C, Section 32, Housing Act 1985)

#### Recommendations

11. To approve the grant of 125 year leases of:

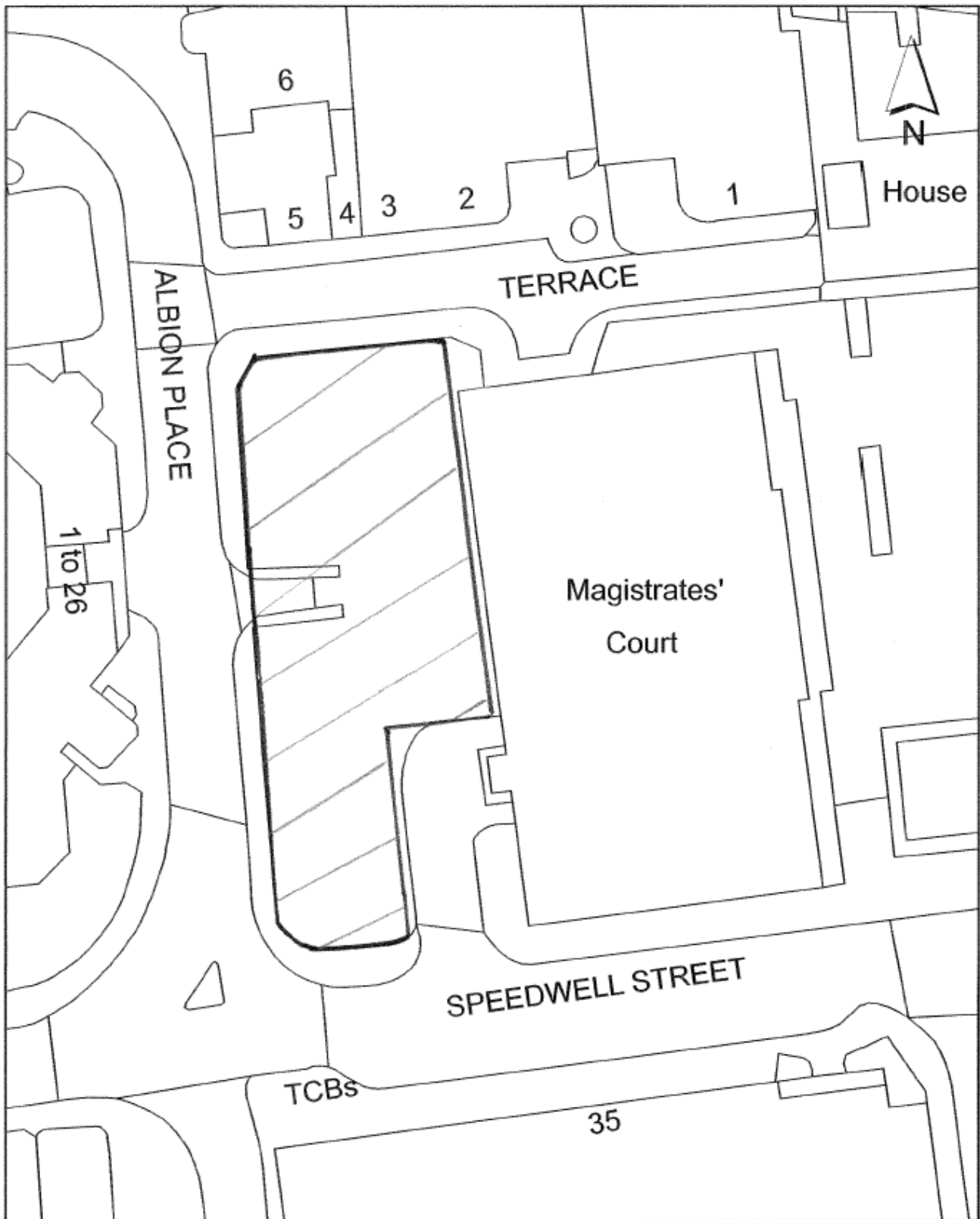
Flat No 9 to Nicola Gibson.  
Flat No 11 to Priscilla Martin.  
Flat No 13 to David and Paula Dancer.

On the basis set out in the report and confidential Appendix, and otherwise on terms and conditions to be approved by the Interim Head of Property and Facilities

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Property and Facilities Management  
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Extension: 2138

**List of background papers:** Executive Board Report - 20<sup>th</sup> November 2006  
Westgate Redevelopment - Proposed  
Purchase Order

**Version number: 3**



Title: Site of Albert House flats

Scale: 1:500

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Property & Facilities Management



**CEB Report Risk Register – ALBERT HOUSE SHARED OWNERSHIP LEASES**

Risk Score      **Impact Score:** 1 = Insignificant; 2 = Minor; 3 = Moderate; 4 = Major; 5 = Catastrophic  
**Probability Score:** 1 = Rare; 2 = Unlikely; 3 = Possible; 4 = Likely; 5 = Almost Certain

No.	Risk Description Link to Corporate Objectives	Gross Risk		Cause of Risk	Mitigation	Net Risk		Further Management of Risk: Transfer/Accept/Reduce/Avoid	Outcome required:	Monitoring Effectiveness				Current Risk	
		I	P			I	P			Q1	Q2	Q3	Q4	I	P
1	Failure to complete any or all of sales	2	3	Deterioration in purchasers financial ability /appetite to proceed	Mitigating Control: Level of Effectiveness: (HML)  Tight control of completion of legal processes/timescales for completion.(H)	2	2	Action: Let properties in the event sale does not proceed within acceptable timescales.  Action Owner: M Lyons  Mitigating Control: Regular monitoring of Of legal processes in conjunction with consultant lawyer.  Control Owner: M Lyons	Milestone Date: 30 September 2009.	1 ☹	2 ☹	3 ☹	4 ☹		

**NOT FOR PUBLICATION**

**By virtue of Paragraph 3 of Part 1 of Schedule 12A to the  
Local Government Act 1972**

**Appendix 3  
Albert House**

CITY EXECUTIVE BOARD 1<sup>st</sup> JULY 2009  
CONFIDENTIAL APPENDIX TO REPORT ON 9,11,13 ALBERT HOUSE

<b>Albert House flat No</b>	<b>Purchaser/Current address</b>	<b>Proposed share</b>	<b>Weekly Rent</b>	<b>Purchase Price (£)</b>	<b>Reimbursed to developer (£)</b>	<b>Retained by OCC (£)</b>
9	Nicola Jane Gibbons Flat 11, Abbey Place Paradise Square, Oxford OX1 1TG	33%	£54.96	£69,999.00	£64,166.00	£5,833.00
11	Priscilla Elizabeth Martin Flat 10, Abbey Place Paradise Square, Oxford OX1 1TG	50%	£41.02	£105,000.00	£96,250.00	£8,750.00
13	David John Dancer and Paula Dancer Flat 12 Abbey Place Paradise Square, Oxford OX1 1TG	46.50%	£43.88	£97,625.00	£97,625.00	£0.00