



## **Cabinet**

### **2 September 2014**

#### **Exercise of Chief Executive's Urgency Powers: Sale of 10 Well Street, Bury St Edmunds**

##### **1. Reason for use of Chief Executive's Urgency Powers**

- 1.1 The Council has owned 10 Well Street, Bury St Edmunds ('the property'), a three storey semi-detached Georgian fronted town house since the 1990's. The property was let on a lease to Co-op Homes in 1998 for a term of 24 years expiring in 2022 and used to house short term homeless families. Following the departure of the last tenants, Co-op Homes and the Council took the decision to review the future use of the property and it has remained vacant for approximately 18 months.
- 1.2 While the property could potentially be used for general needs housing, it is not considered to be flexible enough to use as temporary accommodation. On-going management of the property would be difficult; Co-op Homes no longer have any other property interests in the immediate area. The best option moving forward was considered to be to sell the property on the open market for the best possible price obtainable, with the receipt going into the Council's capital receipt reserve.
- 1.3 Co-op Homes had indicated a willingness to surrender the property to the Council subject to a settlement dealing with expected rent surplus and outstanding dilapidations. They were also concerned regarding potential claw back of a proportion of the original Housing Corporation grant secured to modernise the property, estimated to be £14,000. Officers were authorised by Cabinet Members to complete negotiations with Co-op Homes over the surrender of the lease on 10 Well Street, to secure the best outcome for the Council.
- 1.4 In May 2014, Co-op Homes confirmed that they would agree to an early surrender of the lease on the basis that the Council would not underwrite any potential claw back from the Homes and Communities Agency of the original grant to improve the property. It was also agreed that the estimated rent surplus of £16,500 would be off set against estimated dilapidations £16,700.
- 1.5 Following this confirmation a report for the property was commissioned so that a potential value for it could be established and the market tested for the likely level of interest for private purchase. The valuation set a guide price of £235,000 as a certain level of renovation work is required to the property.
- 1.6 Through the marketing exercise, the Council received over 50 viewings with the best cash offer being made of £249,999.

## 2. Exercise of Urgency Powers

2.1 As the next scheduled Cabinet meeting was not until 2 September 2014, the delay in seeking approval for the sale would have delayed the production of the draft contracts for sale and the Exchange of Contracts date risking the loss of the sale. Therefore, on 15 August 2014 and in accordance with the provisions made in paragraph (C)(a) of the Scheme of Delegation, contained in Part 3, Responsibility for Functions of the Council's Constitution, the Chief Executive exercised his urgency powers to agree the sale of 10 Well Street, Bury St Edmunds for the value of £249,999.

## 3. Recommendation

3.1 The Cabinet is asked to **NOTE** the content of this report.

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