

Report of Head of Strategy and Investment

Report to Chief Officer of Property and Contracts

Date: 08/12/14

Subject: Request to declare 26&28 Kelsall Grove surplus to Departmental Requirements

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Hyde Park and Woodhouse	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. In September 2011 Executive Board approval was given to sell 15 properties to Unipol. This report relates to two of those properties.
2. This report recommends that 26 & 28 Kelsall Grove are sold at market value on a one to one basis to Unipol Student Homes.

Recommendations

3. It is recommended that the Chief Officer of Property and Contracts:
 - Declares 26 & 28 Kelsall Grove surplus to departmental requirements.
 - Supports the sale of these properties at market value on a one to one basis to Unipol Student Homes on terms to be finalised by the Director of City Development in line with the delegated functions of the Council.

1 Purpose of this report

- 1.1 To inform the Chief Officer of Property and Contracts of the background and main issues of this proposal.

2 Background information

- 2.2 26 & 28 Kelsall Grove are 2 of 73 properties which Unipol have leased from the Council over the past 15 years on former less than best arrangements, for which the leases have now expired.

- 2.3 Officers from the Investment and Asset Team have been in negotiations with Unipol to seek an improved offer from Unipol for the continuation of leases and some managed one to one disposals from this portfolio.

- 2.4 A separate report on this was supported by the Director of Environments and Neighbourhoods in July 2011 and Asset Management Board in August 2011.

- 2.5 On the 7th September 2011, the Council's Executive Board resolved:

(a) That the granting of a 21 year lease at less than best consideration for 73 properties to Unipol be approved.

(b) That the sale of 15 of the properties referred to in resolution (a) to Unipol Student Homes on an individual market value basis over the next 4 years be approved, 9 of the 15 properties have been declared surplus by the Director of Environment & Housing.

(c) That approval be given for the Director of Environment and Housing to authorise future surplus declarations for those properties identified to be sold, through the Delegated Decision process.

3 Main issues

- 3.6 26 & 28 Kelsall Grove have been identified as the next properties to be sold in line with the above decision within this financial year.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 As part of the preparation for the Executive Board report of the 7th September 2011 all ward members in the affected wards were sent a clear breakdown of which properties are in their ward, distinguishing which were being proposed for sale or lease. The majority of the comments received were supportive of the proposals. The other comments made were not directly related to the sale or lease of these properties, but about other work relating to Unipol. These issues were followed up directly with Unipol.

4.1.2 Local Ward Members and Area Management are in the process of being consulted on this proposal.

4.2 Equality and Diversity / Cohesion and Integration

4.2.3 The equality, diversity, cohesion, and integration issues were also thoroughly explored for the September 2011 Executive Board report and an EIA form was submitted for publication. In summary, the proposal is considered to offer a positive impact on equality and diversity, particularly in regard to community cohesion & stability of management of tenancies. Additionally, Unipol have their own Equality and Diversity policy which shares common themes with the Council's EDCI policy and is exemplified in their Unipol Code of Standards.

4.3 Council policies and City Priorities

4.3.4 There are no adverse implications for Council policy or governance; however, it is necessary to ensure that best value is obtained via the negotiations and that we have the necessary approvals for the one to one disposals.

4.4 Resources and value for money

4.4.5 The proposal will have a positive financial effect on Council business by bringing in additional capital receipts.

4.5 Legal Implications, Access to Information and Call In

4.5.6 There are no adverse legal implications. The terms of the disposal will be finalised by the Director of City Development in line with the Delegated Functions of the Council. The report is not eligible for call in.

4.6 Risk Management

4.6.7 The proposal to sell individual properties to Unipol at market value is not considered to carry any risk. The process can be controlled through an already strong partnership with Unipol. The terms and conditions of the sale will be controlled through City Development.

5 Conclusions

5.7 The sale of 26 & 28 Kelsall Grove at open market value as one to one sales to Unipol will generate a capital receipt for the Council.

6 Recommendations

It is recommended that the Chief Officer of Property and Contracts:

- Declares 26 & 28 Kelsall Grove surplus to departmental requirements.
- Supports the sale of these properties at market value on a one to one basis to Unipol Student Homes on terms to be finalised by the Director of City Development in line with the delegated functions of the Council.

7 Background documents¹

7.8 None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.