

CABINET

DATE: 29 OCTOBER 2020

TO UPDATE CABINET ON THE SALE OF 19 HIGH STREET, CULLOMPTON (FORMER HARLEQUIN VALET SITE).

Cabinet Member(s): Cllr Bob Evans Deputy Leader of the Council & Cabinet Member for Housing and Property Services and Cllr Andrew Moore Cabinet Member for Finance

Responsible Officer: Andrew Busby Group, Manager for Corporate Property and Commercial Assets

Reason for Report: For Cabinet to receive an update on the sale of Harlequin Valet, 19 High Street, Cullompton and to agree how the sale might be progressed

RECOMMENDATION: To delegate authority to the Deputy Chief Executive (S151), in consultation with Cllr Bob Evans (Cabinet Member for Housing and Property Services) and Cllr Andrew Moore (Cabinet Member for Finance) to secure the sale on terms which provide best value to the Council.

Relationship to Corporate Plan: The Council has a number of aims and objectives in its Corporate Plan 2020-24 and will need financial resources to deliver them at a time when financial resources are going to be stretched.

Financial Implications: The Council has a statutory charge registered as a local land charge and an outstanding invoice in that amount. Costs have been incurred in taking the necessary legal steps to get to this position of being able to exercise a power of sale of the property, as well as valuation and agency fees. There will be further fees, including legal fees, arising from any sale that will need to be deducted from the proceeds.

Budget and Policy Framework: This is not a council asset. The Council does not own it, but has a power to sell it.

Legal Implications: Please refer to previous report (Appendix 1 – exempt information).

Risk Assessment: The risks to the Council of not proceeding with the sale now are that (1) the outstanding debt will not be recovered and may need to be written off (2) the loss of buyer interest on the latest offers received.

Equality Impact Assessment: Please refer to previous report.

Impact on Climate Change: There is no impact on Climate Change.

1.0 Introduction

- 1.1 On 23 April 2020, the Cabinet resolved to sell the property to accept a particular offer (offer one). Unfortunately, due to a change in circumstances that buyer could not proceed with the sale. The same is true for offer two. The other two offers were considerably below the Council's expectations of a sale price in order to recover the charge over the property. Marketing of the site has continued.

2.0 Current position and next steps

- 2.1 There are four current offers for the property at the time of preparing this report and these are set out in confidential appendix 2. Further due diligence on those offers (in particular where conditions are attached) will be carried out. However, during the course of that process, further offers may be made – and, indeed, some may be withdrawn.
- 2.2 If the Cabinet approves a particular offer only to again find that it is withdrawn, there will be no decision which can be implemented. The result is a further report back and delay and the cycle goes on. Rather, it is proposed that delegated authority be given (as set out in the recommendation) to ensure that swift progress can now be made with a sale which provides the best value for the Council. Value will be assessed primarily on the basis of the offer price, but the conditions on which it is made will also be a factor.
- 2.3 A decision recording form would be prepared at the appropriate time, although consideration would need to be given to the confidential nature of any information within it.

Contact for more Information: Andrew Busby Group Manager Corporate Property and Commercial Assets – (01884 234948)

Circulation of the Report: Cabinet, Leadership Team, CMT.

List of Background Papers: Exempt Part 2 Cabinet Report dated 16 April 2020