

Single Member Cabinet Decision

Executive
Forward Plan
Reference

E3181

**Surrender of Lease and Payment of Reverse Premium - 23
Grosvenor Place, London Road, Bath**

Decision maker/s	
The Issue	<p><i>Council on 14th November - Approved as set out in the minutes.</i></p> <p><i>Single Member Decision – to be decided on or after 13th December 2019. It seeks approval to the agreement to surrender the existing occupational lease at the subject property, subject to payment of a reverse premium by the Council to the tenant.</i></p>
Decision Date	13-Dec-19
The decision	<p>On 27th January 2020 it was resolved the original decision made on 13th December stands, and that Cabinet Member for Resources, in consultation with Council Leader acknowledged the recommendations made by the Corporate PDS Panel on 13th January 2020 and agreed:</p> <ol style="list-style-type: none"> 1. That consideration will be given to ways in which the transparency of property related decisions can be improved, within the limits of commercial confidentiality, and this will be reported to the Cabinet. 2. The future options for Grosvenor Place will be examined as quickly as possible and a business case for the preferred option will be placed before the Cabinet for approval. The case for any ring fencing of a capital receipt to be reinvested in future social housing schemes will be included in the options appraisal. 3. Discussions will be held with Guinness on reinvestment within B&NES of any receipt they receive as part of the appraisal above. 4. The Council is already in the process of reviewing its Estates, Construction, Maintenance and Facilities Management functions to ensure they deliver the Council's new Corporate Priorities as effectively as possible. This review will be completed as soon as practically possible. <p>This decision has been Called In, and on 13th January 2020 Corporate PDS Panel held the Call-In meeting. The Panel upheld the Call-In and made the following recommendations:</p> <ol style="list-style-type: none"> i) Whilst understanding the needs of commercial sensitivity a process should be sought to increase transparency, including allowing a member from each political group access to exempt information so that the decision-making process is more transparent. ii) Ring fence a percentage of the incoming capital receipt from this decision for future social housing in Bath & North East Somerset. A percentage of 50% or thereabouts is recommended. iii) Encourage the Guinness Housing Association through negotiations to

	<p>spend the reverse premium on social housing in Bath & North East Somerset.</p> <p>iv) In view of comments made to the Panel about the Property Services department in relation to other parts of the Council, a review of the Property Services department be undertaken to allow for a refinement to its decision making processes to ensure better democratic accountability and transparency in the future.</p> <p>On 13th December 2019 the Cabinet Member made the decision where he agrees to authorise approval to surrender the tenant's lease dated 2nd February 1993 between Bath City Council and the tenant for a term expiring 1 February 2058.</p> <p>Subject to the following conditions:</p> <ul style="list-style-type: none"> • Vacant possession • The tenant using best endeavours to provide vacant possession at the earliest opportunity. • Payment of a reverse premium by BANES to the tenant on completion of the surrender
<p>Rationale for decision</p>	<p>The property was converted into 20 flats in the 1970s, the majority of which are bedsits, with poor layouts. They are primarily occupied by single residents. They are now considered unsuitable for this purpose and the tenant has had a long term strategy to re-house their residents.</p> <p>Housing Services are assisting the relocation of the existing tenants, including by giving them high priority status on the Homeseach Scheme. The Council's single point of access for affordable housing within the district.</p> <p>The agreed surrender enables the tenant to progress their long term strategy and the Council to gain vacant possession of a valuable asset.</p> <p>On completion of the surrender the Council will be in position to undertake a full property appraisal and decide on strategy going forward.</p>
<p>Financial and budget implications</p>	<p>Council approved a budget for this proposal by amending the budget framework at its meeting on 14th November 2019.</p> <p>Corporate Finance at BANES has been consulted and advises the best approach is to seek approval in respect of a surrender of the lease on a walk away basis i.e. no dilapidations / repairs, at an unconditional reverse premium. The costs to be met by the eventual capital receipt received from the sale of the subject property. There will be a period of at least 9 months between payment of the reverse premium and generation of the capital receipt to allow for an appropriate marketing campaign. A PID has been drafted and submitted for approval via Directors Group, a Council decision regarding budget to be made 14th November 2019.</p>

Issues considered	Delete these red notes: Select from: <i>Social Inclusion; Customer Focus; Sustainability; Human Resources; Property; Young People; Equality (age, race, disability, religion/belief, gender, sexual orientation); Human Rights; Corporate; Health & Safety; Impact on Staff; Other Legal Considerations</i>
Consultation undertaken	Michael Hewitt, Giles Oliver, Andrew Marshall, Donna Parham
How consultation was carried out	The report confirms at paragraph 3.1 that because there is no budget for this proposal within the budget framework Council approval is required. The Council constitution provides that adapting the budget requires Council approval: A report to Council proposing a variation to the budget is also being submitted. The SMD decision is Subject to Council approval to vary the budget.
Other options considered	None.
Signatures of Decision Makers	
Date of Signature	
FIELD_FOR_CALLIN,This decision is not subject to Call-in and will be implemented immediately	

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Forward Plan
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FIELD_TITLE

Decision maker/s	FIELD_MEMBER
The Issue	FIELD_ISSUE_SUMMARY
Decision Date	FIELD_DATE_MADE
The decision	FIELD_DECISION_SUMMARY
Rationale for decision	FIELD_DECISION_REASON
Financial and budget implications	FIELD_DECISION_OTHER1

Issues considered	Delete these red notes: Select from: <i>Social Inclusion; Customer Focus; Sustainability; Human Resources; Property; Young People; Equality (age, race, disability, religion/belief, gender, sexual orientation); Human Rights; Corporate; Health & Safety; Impact on Staff; Other Legal Considerations</i>
Consultation undertaken	FIELD_CONSULTEES
How consultation was carried out	FIELD_CONSULTATION
Other options considered	FIELD_DECISION_OPTIONS