


DELEGATED OFFICER EXECUTIVE DECISION NOTICE

SERVICE AREA:	PLACE Estates Business
SUBJECT MATTER:	DEED OF RELEASE OF COVENANT – FILE 2906 / CASE NO. 21014
DECISION:	AUTHORISE the Council to Release a Covenant included in a Freehold transfer from 1986, for a capital consideration.
DECISION TAKER(S):	Nick Fenwick
DESIGNATION OF DECISION TAKER (S):	Interim Director of Place
DATE OF DECISION:	5 August 2022
REASON FOR DECISION:	To release a covenant to generate a capital receipt.
ALTERNATIVE OPTIONS REJECTED (if any):	Do nothing or not agree to the release of the covenant. This would preclude the Council obtaining the benefit of a Capital Receipt.
CONSULTEES:	None
FINANCIAL IMPLICATIONS:	<p>The report provides supporting details of a capital receipt that will be realised by the Council by the future sale of the property referenced in section 1.1 of the report. The capital receipt will be realised by the provision of consent by the Council to release a covenant on the property.</p> <p>Section 1.3 of the report explains that negotiated terms have been agreed for the Council to receive a percentage share of the future sale proceeds of the property. The estimated future capital receipt value that the Council will receive is provided in section 3.1.</p> <p>Section 1.4 states that the proposed percentage share of the future sale receipt is considered to be fair, appropriate and good value for the Council and the best consideration likely to be achieved. However, there are limited details on the rationale that supports this proposed percentage share.</p> <p>It is essential that the sale price of the property is monitored should the consent be approved to ensure that the future sale price reflects market value. This decision should be reviewed if there is a risk of the property sale at under value.</p>
LEGAL IMPLICATIONS:	<p>It is anticipated that the covenant was initially placed on the property to ensure that there was sufficient GP provision in the area. The first consideration therefore has to be whether that provision is still required.</p> <p>It would appear from the main body of the report that provision is no longer required as there has been an amalgamation of surgeries locally. The body of the report advises that the CCG have confirmed in writing this is the</p>

	<p>case.</p> <p>It would be helpful to know by how much the original price was affected by the covenant as this would assist in reviewing the 15% proposal to ascertain whether it is fair, appropriate and good value for the Council. There is information showing the price of the sale of the freehold in 1986 but limited information on the value at that time. It is therefore difficult to assess the impact of the covenant on the capital raised.</p> <p>The Council's Property Managers must review the purchase price for which the property will be sold now and be content that it is a price, which reflects market value. They should also be confident that a share of 15% of that purchase price is an appropriate amount to release the covenant on use of the Property. If the Property is sold at a less than market value, this decision should be reviewed.</p>
DELEGATIONS:	22 - The negotiation and acceptance of terms for the granting, renewing, reviewing, varying or assignment of leases, underleases, tenancies, licences and any other interest in Council property.
CONFLICT OF INTEREST:	None
DISPENSATION GRANTED BY STANDARDS COMMITTEE ATTACHED:	N/A
ACCESS TO INFORMATION:	<p>CONFIDENTIAL</p> <p>Not for Publication: This report contains exempt information relating to paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended) in that it relates to information relating to the financial or business affairs of a particular person (including the authority holding that information) The background papers relating to this report can be inspected by contacting the report author, Roger Dewsnap, Estates Surveyor;</p> <p> Telephone: 0161 342 3442</p> <p> E-mail: roger.dewsnap@tameside.gov.uk</p>



Signed
Nick Fenwick, Interim Director of Place.

Dated: 5 August 2022