

Record of Officer Decision

Freehold Disposal of Little Oldway, Oldway Road, Paignton TQ3 2TD

Decision Taker and Date Decision Taken:

Director of Place on 01 October 2021.

Summary of Matter or Issue Requiring Decision:

In February 1992 Little Oldway was leased on a 150-year full repairing and insuring term to Little Oldway Limited. At the time of entering the lease a premium was paid of £120,000 in return for which the rent was set at a peppercorn. The lease restricts the use of the property solely for the purpose of an elderly person's home with accommodation for 33 residents and warden accommodation.

The tenant has recently approached the Council seeking to purchase the freehold of the property as they wish to invest and have full control over the property. Given the Council's limited control, interest in the building and value retained within the property a disposal is supported.

Subject to delegated Council approval, a figure of £15,000 for the freehold of the building and land has been agreed, with a similar restriction on use as specified in the lease. This figure represents Market Value for the freehold interest.

A restrictive covenant will be placed on the Land Registry Title so in the event of a future change of use, requiring planning, the tenant (or future owner/tenant) would be obliged to seek a release of the covenant from the Council. To release the covenant, the Council would seek a premium to reflect the difference in value between the restricted use and an unencumbered use. The parties would agree the appointment of an Independent Valuer to value the difference to arrive at the premium payable. The valuation date would be the date of the request.

It is proposed the restrictive covenant will be time limited to 50 years from point of disposal. The Premium payable will reduce as a percentage on a sliding scale over the 50-year time frame.

Decision Taken:

That the Director of Place, in consultation with the Chief Executive and the Cabinet Member for Economic Regeneration, Tourism and Housing, be authorised to approve a disposal of the property known as Little Oldway, Oldway Road, Paignton TQ3 2TD, for £15,000 (Ref Plan EM3730).

Summary of Reason(s) for Decision Taken:

A disposal of the property will permit the current tenant to have full control of the asset and how it is used in the future. In addition, the tenant will be able to invest in the property with the knowledge they are the freeholder.

Summary of Alternatives or Options considered and rejected and Background Papers:

The Council is under no obligation to consider the freehold request and could simply reject the request. However, given the length of term of the existing lease there is limited benefit to be

gained by retaining the freehold. The Council would lose the capital receipt.

Details of any conflict of interest and dispensation granted to the Officer taking the decision or by any Member of the Council in delegating responsibility for any specific express delegation:

None.

Implementation:

This decision will be implemented immediately.

A copy of this decision and any supporting documentation considered by the Officer taking this decision may also be available for inspection by the public at the Council's offices or posted upon payment of any copying and postage charges. Any member of the public wishing to take up either of these options is asked to please ring (01803) 207087 or email governance.support@torbay.gov.uk

Signed: _____ Date: _____
(Director of Place)