

Cabinet Addendum Sheet

22 October 2015



Classification: Public

ITEM 9 - COUNCIL MONTHLY BUDGET MONITORING REPORT- MONTH 5

New recommendation 8

That Cabinet:

- A. Ratifies an Emergency Contract Decision taken by the Chief Executive, with the written agreement of the Leader of the Council, on 20 October 2015 to provide the necessary authority and financing for officers to bid at the Acuitus Auction and finalise the purchase, set out below:**
- 1. Agree that the Property Standing Orders are waived and the Chief Executive, with the written agreement of the Leader of the Council, agrees to exercise her delegated power in relation to this commercial land contract.**
 - 2. Agree that the Chief Executive agrees to sub-delegate her power to the Head of Estates and Tenancy Management and authorises him to make bids up to a maximum sum as agreed for the purchase of the leasehold interest in Yiewsley Library at the Acuitus Auction to be held on 22 October 2015.**
 - 3. Agree that in the event that the Council's bid is successful, to instruct the Borough Solicitor to complete the necessary legal documentation to facilitate the acquisition of the leasehold interest in Yiewsley Library.**
 - 4. Approve the allocation of the agreed monies from the Capital Contingency 2015/16 to fund the acquisition of the leasehold interest in the Yiewsley Library building;**
 - 5. Approve the capital release request of the agreed monies from the Capital Contingency 2015/16 for the acquisition of the leasehold interest in the Yiewsley Library building (see Appendix A attached);**
 - 6. Notes that this decision will be reported to and ratified by Cabinet at its meeting on 22 October 2015.**
- B. Notes and ratifies the successful Council bid at the Acuitus Auction held on 22 October 2015 in relation to 192 High Street, Yiewsley (Yiewsley Library Site) and agrees to acquire the leasehold interest of this property at the agreed purchase price and;**
- C. Delegates any further decisions to conclude this matter to the Deputy Chief Executive and Corporate Director of Residents Services, in consultation with the Leader of the Council and Cabinet Member for Finance, Property and Business Services.**

Supporting information

The property at 192 High Street Yiewsley (Yiewsley Library Site) was entered into the Acuitus Auction on 22nd October 2015. The London Borough of Hillingdon is the freeholder of the site but it granted a 120 year long leasehold interest in the property from 24th June 1973. This lease is now held by Legal and General and it is this leasehold interest which was sold at auction. The London Borough of Hillingdon also took back a sublease of the building for a term of 120 years from 24th June 1973 less 10 days, thus having 78 years to expiry.

At the Acuitus Auction, the leasehold interest in 192 High Street Yiewsley was successfully purchased by the Council.

The Council can now realise the marriage value in merging the freehold and leasehold interests. The Council also owns the freehold of the adjacent car park and other land nearby. There are therefore a number of potential development values for the site, which would represent a good investment opportunity and value for money to the Council. As the auction took place today, no proposals have been put forward at this time in terms of the Council's options for the site, but these will be reported to Cabinet as and when they are proposed.

In accordance with the Procurement & Contract Standing Orders, ordinarily a Cabinet decision would be required for officers to bid at such values at an auction, however, as the Cabinet meeting on 22 October is scheduled to take place after the Acuitus auction has closed, the emergency contract Delegation given to the Chief Executive by the Council, set out in the Constitution, was invoked in order for the Council to be in a position to make bids and conclude any purchase. The Chief Executive sub-delegated her delegated power to the Head of Estates and Tenancy Management who attended the auction on behalf of the Council.

Cabinet is required to ratify this Emergency Contract Decision and the acquisition of the leasehold interest.