

## **East Herts Council – Non-Key Decision Sheet**

Record of an executive decision made by an individual under Regulation 13 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations, 2012.

**Reference Number: NKD22/20E**

### **Decision taken by:**

Geoffrey Williamson, Executive Member for Financial Sustainability.

### **Decision**

That the freehold interest in the property at 21 Bullfields, Sawbridgeworth, be sold to the tenant for the sum of £390,000 plus the Council's reasonable costs.

### **Date of Decision**

5 December 2022

### **Reason(s) for decision**

- a) The sale of this property will provide a capital receipt for the Council.
- b) If the property were marketed for sale on the open market the Council could expect to receive a considerably lower sum. This is due to the tenant being a "special purchaser" so by purchasing the freehold the lease becomes invalid and they are free to use the property without the restrictions of the lease. Any other purchaser would be buying the property subject to the leasehold interest in place which would significantly reduce the value.

## **Details of alternative options considered and rejected**

- a) Refuse a sale of the freehold and retain income revenue.
- b) Refuse a freehold sale and try to re-negotiate lease terms which would allow the tenant to lease out the flat. This would allow a higher rental value for the residential element to be applied which could increase the overall rent by around £6,000 to £8,000 pa. However, the tenant would be under no obligation to vary the terms of the lease and may not want to pay a higher rent for this. This option may also give the Council difficulties in the future if it was trying to obtain vacant possession of the property and the residential tenant, who would have greater security, opposed the termination of their tenancy.

## **Does the decision or report contain exempt information?**

No

## **Declaration of or conflict of interest**

None

## **State, in respect of any declared conflict of interest, whether any dispensation has been granted**

N/A

## **Contact Officer**

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## **Email address and telephone number of Contact Officer**

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