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**REPORT FOR: CABINET**

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<b>Date of Meeting:</b>	7 December 2017
<b>Subject:</b>	Property Disposal Programme 2017-2018
<b>Key Decision:</b>	Yes
<b>Responsible Officer:</b>	Paul Walker, Corporate Director of Community
<b>Portfolio Holder:</b>	Councillor Keith Ferry – Deputy Leader and Portfolio Holder for Business, Planning and Regeneration
<b>Exempt:</b>	No except for Appendix 1 which is exempt under paragraph 3 of Schedule 12A to the Local Government Act 1972 - information relating to the financial or business affairs of any particular person
<b>Decision subject to Call-in:</b>	Yes
<b>Wards affected:</b>	Pinner, Pinner South, Greenhill, Belmont & Kenton West
<b>Enclosures:</b>	Appendix 1 Exempt Appendix

## **Section 1 – Summary and Recommendations**

This report sets out proposals for the disposal of property assets during the current financial year 2017/18 as detailed below

## **Recommendations:**

Cabinet is requested to

- 1) Declare surplus the properties detailed in this report;
- 2) Note the financial implications and estimated sale prices detailed in Exempt Appendix 1;
- 3) Authorise the Corporate Director of Community, following consultation with the Portfolio Holder for Business Planning and Regeneration and the Portfolio Holder for Housing and Employment, to take all appropriate action to dispose of the Council's freehold interest in the additional properties listed at (A), (B) and (C) for the best consideration reasonably obtainable.
- 4) Authorise the Corporate of Director of Community to appropriate the properties listed in this report for any purpose pursuant to the Local Government Act 1972 and to take any steps necessary to implement the disposal programme.

### **Reason:**

The properties identified in this report have been reviewed and identified as suitable for disposal.

## **Section 2 – Report**

### **Introductory paragraph**

November 2016 Cabinet authorised the disposal of eight properties noting the estimated capital receipt highlighted in exempt Appendix 1 (see background papers). Two of those properties failed to sell during the 2016-2017 financial year for reasons outside the Council's control. Accordingly the MTFS was revised to reflect this deferred capital receipt until the 2017-2018 financial year.

There is now a strong possibility that neither property is likely to sell in the current financial year. These two properties are:-

**1. 27/29/31 Masons Avenue Wealdstone HA3 5AH** – intended to be sold to a Developer of adjacent land to facilitate a significant residential biased regeneration development within Wealdstone. The purchase is subject to an acceptable planning consent and negotiations with the Planning Authority are ongoing. There is no certainty that this will be concluded in time to negotiate and complete a disposal in the current financial year.

**2. School House Warneford Road Edgware HA3 9HZ** – A former school caretaker property currently vacant requiring S of S for Education consent to dispose which to date has not been forthcoming.

This report seeks authority to dispose of any of the following three alternative properties this financial year in the event that circumstances suggest that either of the two aforementioned properties are unlikely to sell.

There is in addition a small site in Oxford Road which received Portfolio Holder consent in September 2017 to dispose of in the current financial year and is included in Exempt Appendix 1.

The three additional properties are:-

**A) School Lane Pinner HA5 5PG** – A Housing Association development of 43 flats for sheltered accommodation. It comprises 31 studio flats, 10 one bed flats and 1 two bed flat and 1 three bed flat (including the wardens flat).

This is a Council freehold reversionary ground lease investment let to Anchor Housing Association for a term of 99 years with effect from 2/7/1980 at a peppercorn rent. The lease provides to the Council 50% nomination rights however only seven have been taken in the last three years.

### **Options Considered**

#### **Option 1- Retain the building**

The Council can retain the freehold investment and continue existing arrangements with Anchor Housing Association however there is not a strong demand in terms of nomination rights taken up by the Council.

#### **Option 2 - Sell the Property**

It is believed that there would be a strong interest from specific areas of the investment market which would give rise to a significant capital receipt for the Council and the sale of the freehold interest would not materially affect the occupational tenants nor preclude the possibility of future Council nomination rights through the term of Anchor Housing Association's ground lease.

### **Recommendation**

Option 2 is recommended as it will deliver a significant capital receipt.

#### **B) 56 Welldon Crescent Harrow HA1 1QR**

A three storey semi-detached dwelling house formerly occupied by Adult Social Care for persons with learning disabilities on supported tenancies. The property has been converted into bedsits and was registered for 6 bed-spaces.

The property has been vacant for approximately 18 months.

## **Options Considered**

### **Option 1- Retain the Property**

The property is currently vacant and in view of its size too small for the Regeneration Team to consider within their programme. Alternative Council uses have been previously reviewed and dismissed by the Asset Management Board.

### **Option 2 - Sell the Property**

The site is surplus to council requirements and is suitable for disposal.

## **Recommendation**

Option 2 is recommended as will achieve a capital receipt.

## **C) Kenton Lane Public Conveniences and adjacent block of Garages Belmont HA3 8RQ**

Single storey 1950's built public conveniences which have been non-operational for some 10 years. The property is adjacent to the Tesco store and fronts Kenton Lane. Immediately to the rear is a terrace of vacant dilapidated Council garages. The two properties combined would make a site suitable subject to planning consent for the development of 4-6 residential units.

The garages were originally built for use by occupiers of the adjacent Council residential block and are consequently HRA property. The estimated capital receipt reported in exempt Appendix 1 is the net figure assuming a 50/50 split in the capital receipt with the HRA.

## **Options Considered**

### **Option 1- Retain the land**

Both properties are vacant deteriorating in condition and are unlikely to ever be used again for their original use. The properties are suitable for redevelopment however the combined site is too small for the Regeneration Team to consider within their programme.

### **Option 2 – Sell the Property**

The site is surplus to council requirements and is suitable for disposal.

## **Recommendation**

Option 2 is recommended as this will achieve a capital receipt.

A decision on the sale of these properties will be made in January for entry in the Allsop auction on 15<sup>th</sup> February to ensure sale completions before the end of March 2018.

## **Performance Issues**

The proposed disposals meet the assets management strategy.

## **Environmental Implications**

Properties (B) & (C) are currently vacant. The disposals will result in these properties being brought back into beneficial use or redeveloped. This will remove or prevent potential sources of anti-social behaviour. The proposals do not conflict with relevant environmental legislation and no environmental impact assessments are considered necessary.

The developments resulting from the sale of some of these properties offer the opportunity to build to modern standards with good insulation, renewable energy technologies and efficient heating, heating controls and lighting. This would result in lower carbon emissions and reduced running costs.

## **Risk Management Implications**

It is a risk that the disposals do not occur within the proposed fiscal time scales.

The anticipated capital receipts may not be achievable if there is a post brexit economic downturn.

Risk included on Directorate risk register? **No**, but will be monitored via the Directorate's monthly revenue monitoring processes.

## **Legal Implications**

Section 123(1) of the Local Government Act 1972, provides the Council with the power to dispose of land and property, provided such disposition is made for the best consideration reasonably obtainable. The Secretary of State's consent is not required where the Council obtains such consideration.

Section 32 of the Housing Act 1985 requires the Secretary of State's consent to a disposal of land held for housing purposes. However, the "General Consent for the Disposal of Land held for purposes of Part II of the Housing

Act 1985 2013” permits the disposal of vacant land for a consideration equal to its market value.

## **Financial Implications**

The proposed disposal of assets listed in this report will generate a capital receipt for the Council. These assets have been reviewed and considered as suitable for disposal in line with the asset management strategy. The indicative values of these assets are shown in Exempt Appendix 1. It should be noted that the final sale value of individual assets will be subject to a number of factors including market conditions. Direct costs associated with the disposal such as legal fees and surveys, up to a maximum of 4% of the capital receipt, can be funded from the capital receipts.

Until March 2019, the Council has the option to apply capital receipts under capital flexibilities regulations.

Some of the properties, if retained, will require on-going repair & maintenance by the Council, therefore the disposal of these will reduce future costs.

## **Equalities implications / Public Sector Equality Duty**

Section 149 of the Equality Act 2010 requires that public bodies, in exercising their functions, have due regard to the need to (1) eliminate discrimination, harassment, victimisation and other unlawful conduct under the Act, (2) advance equality of opportunity and (3) foster good relations between persons who share a protected characteristic and persons who do not share it.

Was an Equality Impact Assessment carried out? - No

There is no requirement to carry out an equalities impact assessment for the property proposals, the subject of this report, because the impact of implementing the proposals has either been cleared by the service provider in the case of closing down a service or is consistent with Corporate Estates existing strategy for the disposal of land and buildings which has been subject to an equalities impact assessment and which identified no adverse equality impact issues.

## **Council Priorities**

The decisions being requested at Cabinet will support the following key aim and Vision of the Council:

**Build a Better Harrow** – the decisions in this report will lead towards better housing by releasing buildings either capable of conversion to housing or in need of refurbishment which can be better sourced by the private sector.

**Be more Business-like and Business Friendly** – releasing surplus property not appropriate for adaption for Council use to the private sector for a capital receipt offers opportunities to the local property market whilst reducing significant back log maintenance.

### Section 3 - Statutory Officer Clearance

Name: Jessie Man	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 7 November 2017		
Name: Matthew Dineen	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 8 November 2017		

Ward Councillors notified:	<b>Yes</b>
EqIA carried out:	<b>NO</b>
EqIA cleared by:	-

### Section 4 - Contact Details and Background Papers

**Contact: Andrew Connell**  
**SM Strategic Asset Management**  
**D/L 0208 424 1259**  
email: [Andrew.connell@harrow.gov.uk](mailto:Andrew.connell@harrow.gov.uk)

**Background Papers:** [Property Disposal Programme 2016-2017 Cabinet Report](#)

Call-In Waived by the Chairman of Overview and Scrutiny Committee	<b>NOT APPLICABLE</b>  <i>[Call-in applies]</i>
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