

# REPORT FOR: **CABINET**

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<b>Date of Meeting:</b>	14 September 2010
<b>Subject:</b>	Property Disposal Programme 2010/2011
<b>Key Decision:</b>	Yes (It affects more than one ward and is over £500k)
<b>Responsible Officer:</b>	Andrew Trehern, Corporate Director Place Shaping
<b>Portfolio Holder:</b>	Councillor Thaya Idaikkadar, Portfolio Holder for Property and Major Contracts
<b>Exempt:</b>	No, except for Appendix 5 which is exempt from publication under paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972 (as amended) as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).
<b>Decision subject to Call-in:</b>	Yes
<b>Enclosures:</b>	<b>Appendix 1</b> Schedule of land and Properties <b>Appendix 2</b> Schedule of land and Properties <b>Appendix 3</b> Schedule of land and Properties <b>Appendix 4</b> Location plans for information <b>Appendix 5</b> Exempt Information

## Section 1 – Summary and Recommendations

This report sets out proposals for the disposal of the freehold interest in the properties detailed in the attached Appendices 1-3

### **Recommendations:**

Cabinet is Recommended to:

1. Declare surplus the land and properties detailed in the attached Appendices 1-3
2. Note the financial implications and projected sale prices set out in the report in Appendix 5
3. Authorise the Corporate Director Place Shaping to take all action necessary to dispose of the Council's freehold interest in the land and properties detailed in Appendices 1, 2, 3 for the best consideration that can reasonably be obtained.

### **Reason: (For recommendation)**

The disposals will generate a significant capital receipt for the Council, generate a revenue saving and reduce back log maintenance, thereby fulfilling part of the Place Shaping and Property Transformation work stream

## Section 2 – Report

### **Introductory paragraph**

1. The land and properties detailed in the attached Appendices 1- 3 form part of the Place Shaping and Property Transformation Workstream-Better Deal for Residents Programme: Shaping Harrow for the Future.

The overarching Property Review and quick wins programme—see Appendix 5 –a project within the above has identified the land and properties and will deliver the capital receipts.

2. The proposed disposals will generate a significant capital receipt, reduce back log maintenance capital liability and produce revenue savings.
3. The land and properties scheduled in Appendices 1-3 have been identified as surplus to the Council's requirements.

### **Options considered**

4. **Retain the land and properties in Appendix 1, 3** - There is no Council identified alternative use and the properties are not considered suitable to be retained for investment.
5. **Retain the land in Appendix 2-** The land is of no beneficial use and its sale to the adjoining owner will create substantial marriage value and a capital receipt to the council as well as enabling a development providing environmental improvement.

6. **Sell the property in Appendix 3 in isolation of the adjacent Council land-** This would preclude a comprehensive redevelopment of the District Centre and the capital receipt would not be maximised.
7. **Sell the property in Appendix 3 together with the adjacent Council land subject to planning-** Whilst this may delay a potential sale and defer a capital receipt until 2011/12 financial year it should maximise the capital receipt.

## **Recommendation**

8. It is recommended that the Corporate Director Place Shaping be authorised to negotiate sales of the all the land and buildings in Appendices 1, 2 , 3, for the best consideration that can reasonably be obtained.
9. The property and adjacent Council land in Appendix 3 should be sold together in accordance with option point 7. This will require a conditional contract subject to an agreed comprehensive redevelopment with completion after grant of planning to capture any uplift in value attributable to the grant of planning.

## **Implications of the Recommendation**

### **Financial Implication**

10. The sale of the land and properties will generate a significant capital receipt to the Council predominantly within the 10/11 financial year, producing revenue savings in subsequent financial years and reduction in back log maintenance liability. The schedule in Appendix 5 details the estimated projected receipts, savings and relevant dates of receipt of benefits.
11. The Council expects to generate a capital receipt in the order of £8m from disposals listed in Appendix 5 this year against a planning assumption of £5m which will save around £300k in capital financing costs from 2011-12 - see of Appendix 5.
12. Proceeding with option point 7 in relation to the property detailed in Appendix 3 will not provide a capital receipt until 2011/12 but this will maximise the sale value and therefore represents good value for money.

### **Legal Implications**

13. The Council has the general power under section 123 (1) of the Local Government Act 1972 to dispose of land and property in any manner they wish. The Secretary of State's consent is not required provided that the disposal is for the best consideration that can reasonably be obtained.

The residential properties detailed in Appendix 1 are not held by the Council for the purposes of Part II of the Housing Act 1985.

### **Performance Issues**

14. No BVPIs, or KPIs will be impacted by these proposals. National Indicator NI 155 relates to the number of affordable homes delivered (gross). The rationale for this indicator is the promotion of an increase in the supply of affordable housing. The

development of affordable units on part of a number of the sites to be sold will contribute towards Harrow's performance in relation to this indicator.

15. This action will contribute to improving the management of the councils Assets; and demonstrate improvement and innovation in Asset Management.
16. The Stanmore Broadway /Anmer Lodge disposal will produce a development improving the long term viability of this successful District Centre.

### **Environmental Impact**

17. A number of the properties shown in Appendices 1-3 are currently or will shortly become 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.
18. The developments which will result from the sale of some of these properties offer the opportunity to build properties 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.
19. Similarly, the proposed developments should seek to install water efficient equipment wherever possible to minimise demand for potable water. This would reduce running costs and help to minimise additional demand for water in an area of the country that is classified as water-stressed by the Environment Agency.

### **Risk Management Implications**

20. It is a risk that the disposals do not occur within the proposed budgetary time scales.
21. Significant work has already been carried out on this disposal project to minimise the risk of delay as far as possible if approval is granted by Cabinet to proceed.
22. Risks are monitored under the monthly Property Review project.

### **Equalities Implications**

23. No equality Impact Assessment was carried out as the proposal is consistent with Corporate Estates existing Disposal of Property Policy which has been subject to an Equalities Impact Assessment and which identified there to be no adverse equality impact issues.

### **Corporate Priorities**

The disposals programme will contribute to the Council meeting all its corporate priorities

- Deliver cleaner and safer streets
- Improve support for vulnerable people
- Build stronger communities

### **Section 3 - Statutory Officer Clearance**

Name: Myfanwy Barrett	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 18 August 2010		
Name: Matthew Adams	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 20 August 2010		

### **Section 4 – Performance Officer Clearance**

Name: Liz Defries	<input checked="" type="checkbox"/>	on behalf of the Divisional Director (Strategy and Improvement)
Date: 19 August 2010		

### **Section 5 – Environmental Impact Officer Clearance**

Name: John Edwards	<input checked="" type="checkbox"/>	Divisional Director (Environmental Services)
Date: 16 August 2010		

### **Section 6 - Contact Details and Background Papers**

Contact: Philip Loveland-Cooper Head of Corporate Estate - Corporate Estate Ext 2877  
Philip.Loveland-Cooper@harrow.gov.uk

Background Papers: None

<b>Call-In Waived by the Chairman of Overview and Scrutiny Committee</b>	<b>NOT APPLICABLE</b>
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