

REPORT FOR: **CABINET**

Date of Meeting:	19 May 2011
Subject:	First Phase Property Disposal Programme 2011-12
Key Decision:	Yes Over £500k
Responsible Officer:	Andrew Trehern, Corporate Director Place Shaping
Portfolio Holder:	Councillor Thaya Idaikkadar, Portfolio Holder for Property and Major Contracts
Exempt:	No except for Appendix 1 which is exempt from publication under paragraph 3 of part 1 of Schedule 12A to the local government Act 1972 (as amended) as it contains information relating to the financial or business affairs of any person (including the authority holding that information)
Decision subject to Call-in:	Yes
Enclosures:	Appendix 1 Exempt information Appendix 2 Location Plans

Section 1 – Summary and Recommendations

This report sets out proposals for the disposal of properties as detailed

Recommendations:

- 1) Declare surplus the land and properties detailed in the report
- 2) Note the financial implications and projected sale prices detailed in Appendix 1
- 3) Authorise the Corporate Director Place Shaping to take all action necessary including capital expenditure on 429/433 Pinner Road to dispose of

the Council's interest in the land and properties detailed for the best consideration that can reasonably be obtained in.

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

- 1) The land and properties detailed below form part of the Place Shaping and Property Transformation Work stream-Better Deal for Residents Programme: Shaping Harrow for the Future

The overarching Property Review 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 and produce revenue savings
- 3) The land and properties detailed have been identified as surplus to the Councils requirements

Current Situation

423/429 Pinner Road North Harrow- The first and second floor office accommodation is currently occupied by Children's Services and as part of the service review will be vacated with staff and service delivery being relocated primarily to the civic centre.

It should be noted that this proposal will not affect the operation of the Library at these premises.

Options Considered

- 1) **Retain the office accommodation-** There is no identified alternative Council use and it is not considered suitable for retention for investment purposes
- 2) **Sell the Property retaining the Ground floor library-** This would enable the upper floors to be re used as offices or converted to residential accommodation. Minor capital works to separate services would be required and would either be carried out prior to completion of a sale or be a condition of sale to be carried out by the purchaser

Recommendation

Option 2 is recommended as this will produce a significant capital receipt and revenue saving and contribute to the MTFS. Cabinet is asked to recognise the potential need to spend capital to separate services in order to achieve these substantial savings

1/1a Silverdale Close, Northolt

This is an ex childrens home built in the 1950s, and now vacated by Childrens Services

Option 1 Retain the building -There is no identified alternative council use for this property. The property is not considered suitable for retention for alternative use

Option 2 Sell the Councils Freehold interest-this would realise a capital receipt and revenue savings. Subject to planning the property would be suitable for residential or community use

Recommendation

Option 2 is recommended as it will generate a capital receipt and revenue savings and contribute to the MTFS

19 Buckingham Road

This self contained property is used by Adults care management and as part care management realignment the majority of staff have been relocated to Civic 3.

Option 1-Retain the building. There is no identified alternative Council use for this property. This property is not considered suitable for retention as an investment

Option 2 – Sell the Councils freehold interest- This would realise a capital receipt and revenue savings as well as reducing back log maintenance. Subject to planning the property would be suitable for residential redevelopment, offices or community use.

Recommendation

Option 2 is recommended as the property is surplus to the Councils requirements and will generate a capital receipt and revenue savings and contribute to the MTFS.

47 Furness Road, Harrow

This is an ex school caretakers house not situated within the school site and no longer required by the school. The property comprises a 1930s 3 bed semi-detached house in need of modernisation and renovation and has been empty for a number of months

53 Whitegate Gardens, Harrow Weald

This is an ex school caretakers house not situated within the school site and no longer required by the school. The property comprises a 1930s 3 bed semi-detached house in need of modernisation and renovation.

Options

Option1- Retain both houses for council use and transfer from General Fund to HRA. The cost of conversion to HRA use would not be economic in relation to market value and the General fund would receive a substantially higher capital receipt by selling at auction. The ownership of individual housing units is not a preferred option by RSLs.

Option 2- Sell both Houses at auction. There is a good market for houses of this nature as demonstrated by recent sales by the council. A substantial capital receipt would be obtained at auction with a reduction in back log maintenance

Recommendation

Option 2 is recommended as this will deliver a substantial capital receipt and reduce back log maintenance and contribute to the councils MTFS

Financial Implications

The sale of land and properties will generate a significant capital receipt to the council within the 11/12 financial year, producing revenue savings in subsequent financial years and a reduction in back log maintenance liability. The schedule in Appendix 1 details the estimated projected receipts.

Revenue costs for relocation to Civic centre is part of the Civic Centre office consolidation BD4R programme and will need to be included in the costings for that project.

The Council expects to generate a capital receipt of £11.530m from phase 1 disposals listed in Appendix 1 this year against a full year planning assumption of £11.788m

Legal Implications

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 States consent is not required provided the disposal is for the best consideration that can reasonably be obtained.

The residential properties referred to in this report are not held by the Council for the purposes of Part 11 of the Housing Act 1985

Performance Issues

The proposed disposals contribute to meeting the capital receipt target for MTFS.

No immediate impact on Childrens Services performance however any change of service venue can cause a dip in performance. The Corporate Director of Childrens Services will monitor this carefully.

The disposals are identified as part of the overarching property review a project within the Place Shaping and Property transformation work stream Better Deal for Residents Programme ; Shaping Harrow for the Future

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

- Keeping neighbourhoods clean, green and safe
- United and involved communities: A Council that listens and leads
- Supporting and protecting people who are most in need
- Supporting our Town centre, our local shopping centres and businesses

Environmental Impact

A number of the properties are currently vacant or will become so. 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 Enviornmental 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.

Similarly the developments would seek to install water efficient equipment wherever possible to minimise demand for potable water. This would reduce running costs and help minimise demand for water in an area of the country that is classified as water-stressed by the Environment Agency.

Risk Management Implications

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

The anticipated capital receipts may not be achievable if there is further economic down turn.

Any delays in relocation of staff may result in some of the sales being unable to complete in the 2011/12 financial year

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

Risk included on Directorate risk register? No

Separate risk register in place? Yes

Risks are monitored under the monthly Property Review Project

Equalities implications

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.

Section 3 - Statutory Officer Clearance

Name: Kanta Hirani	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 20 April 2011		
Name: Matthew Adams	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 11 April 2011		

Section 4 – Performance Officer Clearance

Name: Alex Dewsnap



Divisional Director
Partnership,
Development and
Performance

Date: 8 April 2011

Section 5 – Environmental Impact Officer Clearance

Name: John Edwards



on behalf of the
Divisional Director
(Environmental
Services)

Date: 4 April 2011

Section 6 - Contact Details and Background Papers

Contact: Philip Loveland-Cooper, Head of Corporate Estate, Place Shaping Directorate

Philip.Loveland-Cooper@Harrow.gov.uk

Tel:020 8424 1877

Background Papers: None

**Call-In Waived by the
Chairman of Overview
and Scrutiny
Committee**

NOT APPLICABLE

[Call-In applies]