

AGENDA ITEM: 10 Pages 227 – 232

Meeting	Cabinet Resources Committee
Date	28 March 2011
Subject	The former Watling Boys Club, Dryfield Road, Burnt Oak, HA8 9JU
Report of	Cabinet Member for Resources and Performance
Summary	To report the offers received for the former Watling Boys Club and recommend a sale to the bidder with the highest unconditional offer.

Officer Contributors	Richard Malinowski, Principal Valuer (Property Services) Judith Ellis, Valuation Manager (Property Services)
Status (public or exempt)	Public (with a separate exempt report)
Wards affected	Hale
Enclosures	Plan No.23846 & Photograph
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	Not applicable

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1. RECOMMENDATIONS

- 1.1 That the site of the Former Watling Boys Club in Dryfield Road shown edged red on the accompanying plan no.23846 be sold to Greencourt Property Group Ltd, the bidder making the highest unconditional offer.**
- 1.2 If the bid fails within the time frame set out in the report then the second highest unconditional offer.**

RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet Resources Committee, 8 July 2004 (Decision item 8) – resolved that, subject to obtaining vacant possession of the property, the freehold sale of the land at Dryfield Road for re-development be agreed and for the property to be marketed for sale by non-binding tender by the Property Services and Valuation Group.
- 2.2 Cabinet Resources Committee, 17 March 2005 (Decision item 9) – considered the outcome of the initial tender process and agreed a short-list of five developers with whom to continue negotiations. All five parties were invited to prepare scheme proposals for discussion with the Head of Planning with final offers being submitted thereafter and the results thereof being reported to a future meeting of the Committee.
- 2.3 Cabinet Resources Committee, 10 November 2005 (Decision item 7) – resolved that the sale to Huntingdon Foundation be approved.
- 2.4 Cabinet Resources Committee, 31 October 2007 (Decision item 7) – resolved to remarket the site following withdrawal by the Huntingdon Foundation.
- 2.5 Cabinet Resources Committee, 1 December 2008 (Decision item 13) – resolved that Property Services be instructed to proceed with the sale of the property by asking the 3 top bidders to agree an acceptable scheme with the Planning Department on which they will submit their best and final financial offers and these will be reported back to the committee for a decision to sell.
- 2.6 Cabinet Resources Committee 2 November 2009 (Decision item 10) – resolved to proceed with the highest bidder, Greenacre Homes (South East) Ltd.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The Corporate Plan commits the Council to delivering better services with less money. A key principle of the medium term financial strategy is to continually review the use of council assets so as to reduce the cost of accommodation year on year and to obtain best consideration for any surplus assets to maximise funds for capital investment and/or the repayment of capital debt. This proposal does this by producing a capital receipt and reducing maintenance costs for empty properties.

4. RISK MANAGEMENT ISSUES

- 4.1 There are no policy considerations and officers do not anticipate significant levels of public concern. If the Council does not proceed with this sale an empty building attracts the obvious detrimental nuisances such as vandalism and arson. To offset the risks of squatters and further vandalism Property Services have installed fencing around the building but this has been breached on a number of occasion involving additional repairing costs.

- 4.2 Where the bids are conditional upon obtaining planning permission the sale may be delayed or may not proceed if the planning consent granted is not acceptable to the purchasers.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 The property was widely marketed such that it was open to any category(ies) of person(s) to submit a bid, irrespective of race, sex, disability, sexual orientation, marital status, transgender, age, religion or religious belief. Further, the Council's Equalities Policy and Scheme take account of the Council's statutory duty to eliminate discrimination and inequality amongst persons of different race, gender and disability and to promote equal opportunities amongst persons of different race, gender and disability. The, proposed, disposal has been evaluated against the principles in the Equalities Policy and Equalities Scheme and no adverse implications for any, specific, equalities group has been identified.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 6.1 The costs of securing the site and maintaining the integrity of the building are being met from the properties pending disposal budget. There are no procurement, performance and value for money, staffing, IT or sustainability implications.
- 6.2 Where the Council proposes to dispose of land in reliance on section 123 of the Local Government Act 1972, subsection 2 of that section prevents the council from disposing of the land (otherwise than by way of a short tenancy) for a consideration which is less than the best that can reasonably be obtained. The property has been fully marketed and recommending accepting the highest unconditional bidder will ensure compliance with Section 123.
- 6.3 If this fails to proceed, acceptance of the highest conditional offer subject to planning permission being achieved, will satisfy the requirements of section 123.

7. LEGAL ISSUES

- 7.1 In disposing of the property the Council has a statutory duty, under section 123 of the Local Government Act 1972, to obtain best consideration and it is the view of the Valuation Manager that, subject to any later bid, the disposal in accordance with the Recommendation will achieve this.
- 7.2 The Decentralisation and Localism Bill, published on 13 December 2010, contains provisions for, amongst other things, 'Community Empowerment'. These include a Community Right to Buy and local authorities will be required to maintain a list of public or private assets of community value and put these forward for consideration by communities. Communities will be enabled to nominate assets to be included on the list. As and when listed assets come up for disposal (either for the freehold or long leasehold), communities will be given the chance to develop a bid and raise the capital to buy the asset. As the Bill makes its progress through Parliament it will inevitably see changes made before it is passed into law. The bill is expected to become law in the latter part of this year.
- 7.3 As the proposed disposal is a pure land transaction, it is exempt from European Procurement rules.

8. CONSTITUTIONAL POWERS

- 8.1 The Council's Constitution in Part 3, Responsibility for Functions, states in paragraph 3.6 the functions delegated to the Cabinet Resources Committee including all matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.

9. BACKGROUND INFORMATION

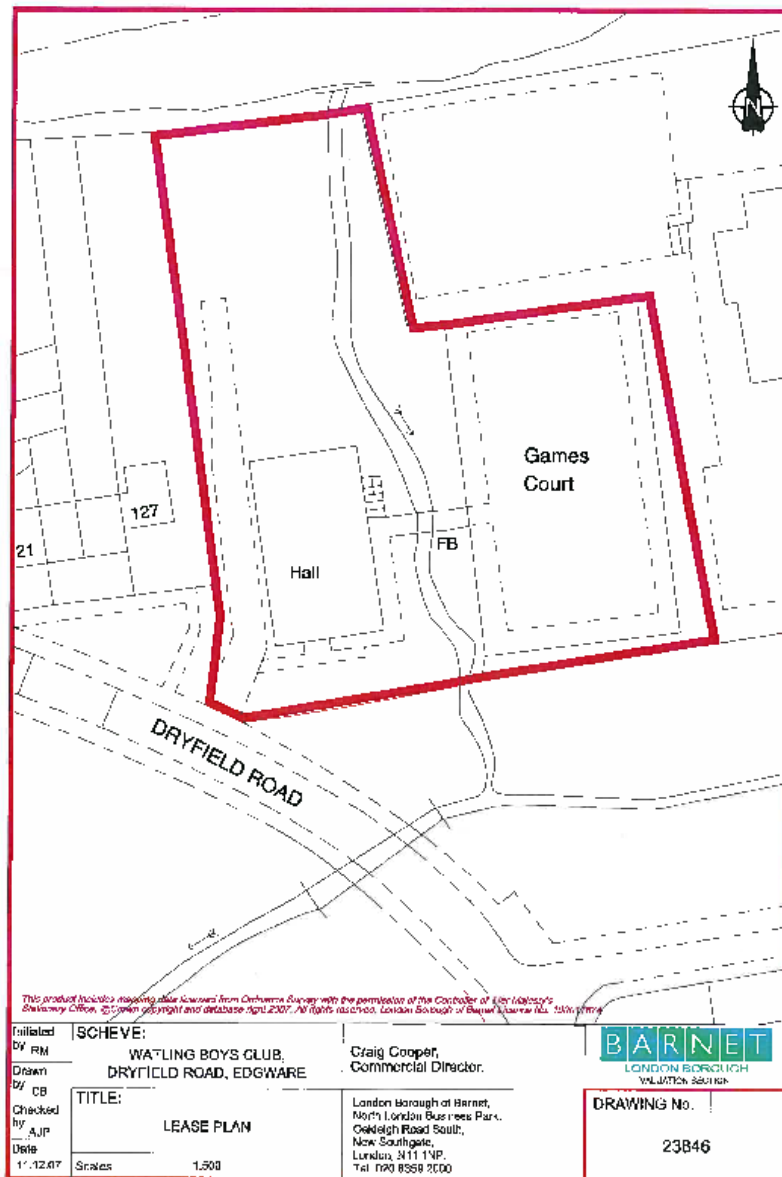
- 9.1 Following the Committee decision in November 2005 to dispose of the Council's interest in this site a proposal from the Huntingdon Foundation, who were acting on behalf of the Noam Primary School was accepted. The intention was to develop a two-form entry school but the constraints of the site raised concerns over the traffic generation. Consequently, Huntingdon were informed that a two-form entry school would not be permitted under Highways and Planning and their offer was withdrawn in August 2007 and the property re-marketed.
- 9.2 The property was extensively marketed and the result of the marketing was reported to the Cabinet Resources Committee in December 2008 with the three highest bidders being selected to submit their development proposals to the Planning Department for approval.
- 9.4 For all the schemes, the location in relation to an adjoining floodplain was critical and early contact with the Environment Agency (EA) was necessary to resolve any issues.
- 9.5 Subsequent marketing resulted in acceptable initial financial bids, but issues with the EA, a falling market and the reluctance of RSL partners to commit to projects due to uncertainties over grants, resulted in bids being significantly reduced to a value that could not be recommended for disposal.
- 9.6 The site has recently been remarketed again and the list of the bidders together with the respective offers received, is set out in the accompanying exempt report, with a recommendation to sell to the highest bidder. The offers are mainly conditional on obtaining planning permission but two are unconditional.
- 9.7 A local resident who had been involved with the club several years ago expressed interest in reinstating the building for its former use as a community hall. An inspection of the site was arranged, however no formal proposal has been received.
- 9.8 The only other bidder interested in an exclusively community use, whose offer is reported in the exempt report, informed officers that the offer was subject to a substantial Council grant.
- 9.9 It is therefore recommended that the highest bid which is unconditional is accepted. If this transaction fails and contracts are not exchanged contracts within 5 weeks the second bidder who has submitted the highest unconditional bid is given the opportunity of proceeding. If neither party exchanges contracts or completes then a further report will be submitted to the committee for consideration.

10. LIST OF BACKGROUND PAPERS

- 10.1 None.

Legal – PD
CFO – MC

Plan



Please note there is a query whether the north-eastern boundary is correctly drawn and so we are cross referencing with the plans in the contract for the sale of the adjoining school site which may involve a minor realignment of the above plan.

Photograph showing building from Dryfield Road

