

AGENDA ITEM: 7 Pages 33 – 36

Meeting	Cabinet Resources Committee
Date	24 May 2011
Subject	231a Colney Hatch Lane and adjoining land, Friern Barnet
Report of	Cabinet Member for Resources and Performance
Summary	To consider an offer for the sale of the freehold interest in this site to the current lessee

Officer Contributors	Philip Stanbridge – Principal Valuer
Status (public or exempt)	Public (with a separate exempt report)
Wards affected	Coppetts
Enclosures	Appendix A - Plan no. 21551-4
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 terms provisionally agreed with Southgate and Finchley Coaches Ltd for the sale of the Council's freehold interest in their leased site and an area of adjoining land be accepted on the terms set out in the exempt report**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 The Policy and Implementation Committee of 21st January 1999 and the Resources Executive Committee of 5th May 1999 gave authority to the granting of a long lease to Finchley Coaches.

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 for the Council which can be set against this priority.
- 3.2 The Regeneration Service has been consulted and confirmed that the proposals in this report do not adversely impact upon any of the Council's regeneration schemes.

4. RISK MANAGEMENT ISSUES

- 4.1 When disposing of land, Section 123 of the Local Government Act 1972 requires local authorities to achieve the best consideration reasonably obtainable. The proposed sale has not been the subject of a marketing process because the tenant is a special purchaser, being in a position to offer in excess of the normal market investor. There is a risk that the best consideration might not have been achieved. Accordingly, an independent valuation has been sought to confirm that the agreed price satisfies the Council's statutory duty and this has confirmed that the terms set out in the exempt report do meet this requirement.
- 4.2 The risk related to the disputed rent reviews have been addressed within the terms of the contract set out in the exempt report.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 The proposals have been considered and will not give rise to any issues under the Council's Equalities Policy and do not compromise the Council in meeting its statutory equalities duties.

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

- 6.1 There are no procurement, performance and value for money, staffing, IT or sustainability implications. The financial and property implications are set out in the accompanying exempt report.

7. LEGAL ISSUES

7.1 None; save those contained in the main body of the report.

8. CONSTITUTIONAL POWERS

8.1 Council Constitution, Part 3, Responsibility for Functions, paragraph 3.6 states 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.

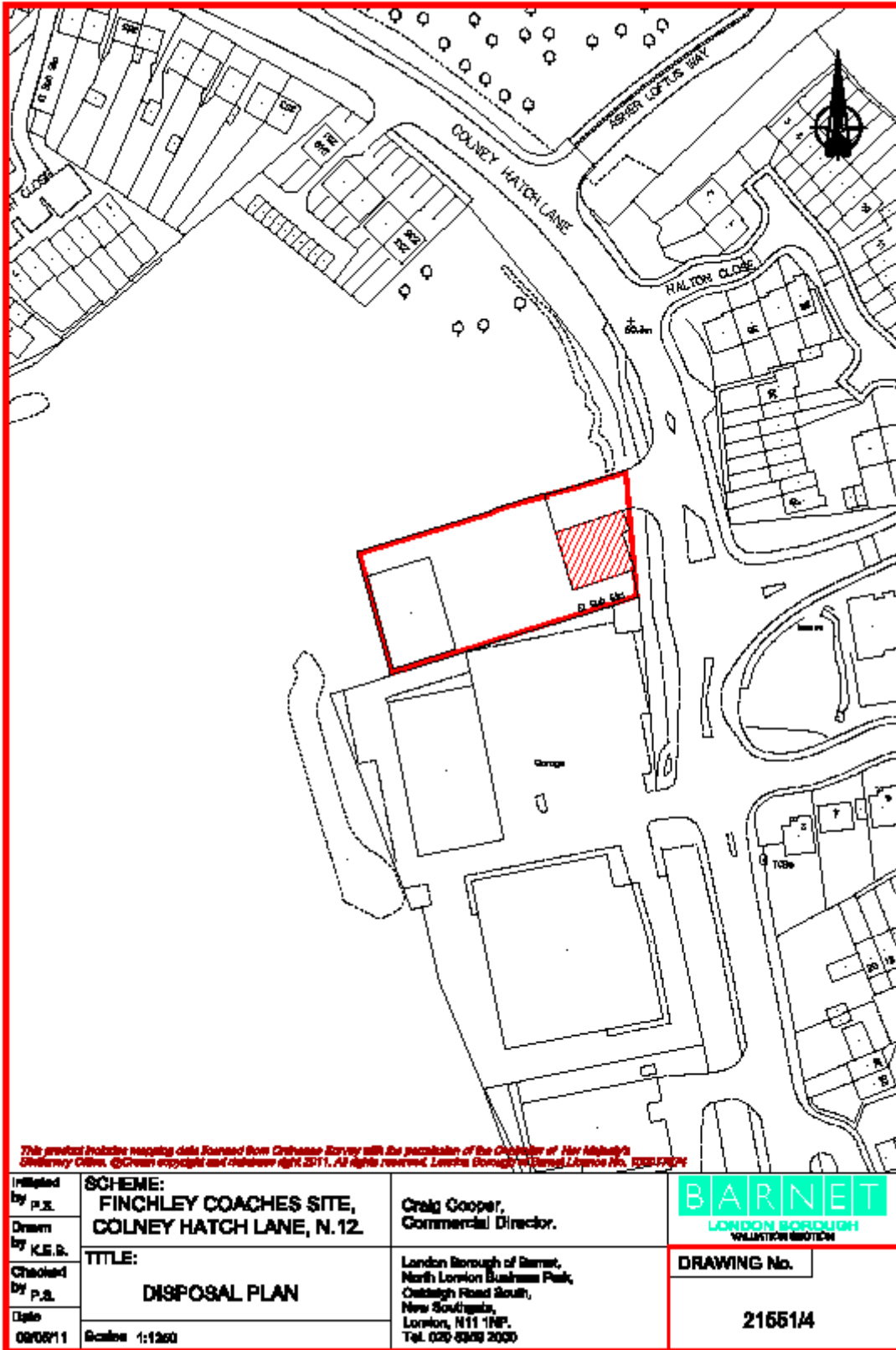
9. BACKGROUND INFORMATION

- 9.1 In 2000, as part of the relocation to facilitate redevelopment at Brunswick Park, the Council granted Finchley Coaches Ltd a long lease, expiring in July 2116, of the area comprising their coach park and depot in Colney Hatch Lane.
- 9.2 Finchley Coaches, now trading as Southgate and Finchley Coaches (S&FC), have expressed an interest on a number of occasions in purchasing the freehold interest of the land subject to their lease but thus far the offers made have been insufficient.
- 9.3 More recently, this matter has been reactivated by S&FC and on this occasion terms more attractive and appropriate have provisionally been agreed.
- 9.4 During the term of the lease there has been an ongoing dispute over rent reviews which might have meant that there had been a significant accumulated overpayment of rent in past years. Last year it was concluded by Property Services and S&FC's advisors that the matter could only be resolved by referring the matter to arbitration and this was set in process.
- 9.5 The terms now agreed with S&FC however include the undertaking by S&FC that the arbitration and any possible claims arising for possible overpayment of rent are to be unconditionally dropped.
- 9.6 There is an additional area of land, shown cross hatched on the attached plan that was previously used as a visitor's car park for the nearby Coppetts Wood Its use for this purpose was however abandoned, as it was little used and became the subject of rubbish dumping. It is believed the car park was closed in 2008 and has remained unused ever since. S&FC offer includes this area of land together with the area that formed the joint access. It is understood that neither Greenspaces nor Highways have an ongoing use for this area of land and thus it might usefully be included in this sale and has limited potential for use or development in isolation.

10. LIST OF BACKGROUND PAPERS

10.1 None.

Legal – JKK
CFO – CP



Plan