

**AGENDA ITEM: 7**                      Pages 24 - 28

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<b>Meeting</b>	Cabinet Resources Committee
<b>Date</b>	7 November 2011
<b>Subject</b>	<b>Former Child Guidance Centre, East Road, Burnt Oak</b>
<b>Report of</b>	Cabinet Member for Resources and Performance
<b>Summary</b>	To remarket the councils freehold interest in the above property.

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Officer Contributors	Simon Shaer – Valuer (Property Services) Judith Ellis – Valuation Manager (Property Services)
Status (public or exempt)	Public (with separate exempt report)
Wards affected	Burnt Oak
Enclosures	Appendix 1 - Plan
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 Committee approves the remarketing of the Council's freehold interest in the former Child Guidance Centre, East Road, Burnt Oak, as shown edged red on the attached plan.**
- 1.2 That the results of the remarketing exercise be reported to the Cabinet Member for Resources and Performance for approval, under delegated powers, of the final terms of disposal.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1. Cabinet Resources Committee 8<sup>th</sup> July 2004 (Item 14) – Resolved that, subject to the grant of planning permission, the freehold interest in the former Child Guidance Centre site at East Road, Burnt Oak be transferred to Ealing Family Housing Association for the building of a replacement for the Merrivale elderly persons care home and day centre in exchange for the transfer back to the Council of the current Merrivale site at East Road, Burnt Oak and the grant of a short-term, non-renewable lease of the existing care home and day centre to Ealing Family Housing Association at a peppercorn rent.
- 2.2. Cabinet Resources Committee 31<sup>st</sup> October 2007 (Item 13) - Resolved to accept the conditional offer from St James Investments to acquire the Council's freehold interest in Watling Car Park and other lands, as detailed in the report.

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 The Corporate Plan 2011-2013 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. The sale of this surplus site will generate a capital receipt.

## **4. RISK MANAGEMENT ISSUES**

- 4.1. There are no policy considerations and officers do not anticipate significant levels of public concern.
- 4.2. In preparation for sale the Council will need to remove a number of fire-damaged Asbestos Insulated Boards (AIB's) within the interior of the building. These damaged AIBs have created airborne asbestos which prevents entry into the building, in the absence of suitable air masks and protective clothing.
- 4.3. After removal of the damaged AIB's the acquiring party will need to maintain the remaining asbestos in the building. The presence of asbestos in the property may result in a delay in the sale proceeding.
- 4.4. If the Council does not proceed with this sale it will need to address the issues that an empty building attracts such as vandalism, squatters, liability for any rates payable and utility bills.
- 4.5. Depending upon the use proposed for the property, any party looking to acquire the Council's freehold interest may have to apply for planning permission. If planning permission is required then this may delay/prevent the sale, particularly as the property is within a flood plain and the Environment Agency must first be consulted

## **5. EQUALITIES AND DIVERSITY ISSUES**

- 5.1 The Council is committed to improving the quality of life and wider participation for all in the economic, educational, cultural, social and community life of the Borough.
- 5.2 It is not considered that the proposal will give rise to any issues under the Council's Equalities policies and does 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 property implications are set out in paragraph 8 below.

## **7. LEGAL ISSUES**

- 7.1 Local authorities are given powers under Section 123 of the Local Government Act 1972 (as amended) to dispose of land held by them in any manner they wish, including sale of their freehold interest, granting a lease or assigning any unexpired term on a lease, and the granting of easements. The only constraint is that, except with the consent of the Secretary of State, a disposal must be for the best consideration reasonably obtainable. There are, however, a number of General Disposal Consents covering routine matters which preclude the need to specifically approach the Secretary of State.
- 7.2 The Council's statutory duty referred to in 7.1 must be addressed in the report to the Cabinet Member for Resources and Performance seeking approval, under delegated powers, of the final terms for the disposal.

## **8. CONSTITUTIONAL POWERS**

- 8.1 Constitution, Part 3, Responsibility for Functions, paragraph 3.6 - 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.
- 8.2 Constitution, Part 4, Council Procedure Rules, Management of Real Estate, Property and Land, paragraph 19 – All recommendations for approval of the sale price and other terms of disposal must contain a statement from the Chief Valuer or, if appointed, from suitably qualified external agents that the Council will obtain the best price which can reasonably be obtained or that there is approval through the General Consent or that the consent of the office of the Deputy Prime Minister has been obtained or will be sought to enable the disposal of the property to proceed as recommended.

## **9. BACKGROUND INFORMATION**

- 9.1. The former Child Guidance Centre faces west on to East Road, with the north west boundary adjoining the Merrivale Care Home, the eastern boundary adjoining the Silk Stream and the south eastern boundary adjoining residential properties in Barnfield Road.
- 9.2. The subject property comprises of a large single storey brick and part flat and pitched tile roof structure of a 1970's design which sits in a site area of approximately 0.45 hectares.
- 9.3. This site was formerly used as a child guidance centre but has been vacant for a number of years while opportunities involving, firstly, a care home package and, secondly, a development as part of the Watling Car Park were pursued. These proposals did not reach fruition and both disposals were aborted.

- 9.4. In 2004 it was proposed that the site, together with the neighbouring Merrivale Care Home, be disposed to Ealing Family Housing Association. This sale did not proceed as a number of conditions in the land swap agreement were not satisfied before the deadline outlined in the Catalyst contract expired.
- 9.5. Following the abortive disposal to Ealing Family Housing Association, in 2007 terms were agreed with St James Investments for the sale of the site, and adjoining lands, for the purpose of redeveloping the Watling Car Park. That sale also proved abortive. This site is no longer required to deliver the car park re-development.
- 9.6. The building has previously attracted squatters which has resulted in a number of internal fires. The London Fire Brigade (LFB) has orally suggested that the Council take steps to secure the building in order to prevent any re-occurrence. To this end, Property Services has arranged for the palisade fencing to be repaired, as well as for the installation of rented steel doors, steel window panels and a rudimentary alarm system
- 9.7. At present a large part of the internal décor and roof has been burnt out and the building is uninhabitable. Property Services has taken steps as outlined in 4.5 to secure the building.
- 9.8. As noted in section 4.2, due to these fires a number of AIB's have been damaged and the property has airborne asbestos. Property Services are taking steps to rectify this before marketing is commenced.
- 9.9. The site is surplus to the Council's requirements and it is considered that it should be remarketed for disposal.. As the site falls within a flood plain it is expected that offers will come mainly from community organisations.
- 9.10. Property Services has been approached by a prospective purchaser expressing interest in the site. However, in order to ensure that the Council complies with its statutory duty to obtain best consideration it is proposed that a full marketing campaign be undertaken with the results being reported to the Cabinet Member for Resources and Performance for approval, under delegated powers, of the final terms. It is expected that the property will attract offers in excess of the sum detailed in the accompanying exempt report.

## **10. LIST OF BACKGROUND PAPERS**

None

Legal: SWS

CFO: JH

Appendix 1 - Plan



