

AGENDA ITEM: 15

Pages 126 – 130

Meeting	Cabinet Resources Committee
Date	4th April 2012
Subject	2 Salisbury Road, High Barnet, EN5
Report of	Cabinet Member for Resources and Performance
Summary	To report the proposed disposal of the council's freehold interest in 2 Salisbury Road, Barnet, to UBS, the freehold owners of the Spires Shopping Centre.

Officer Contributors	Judith Ellis – Valuation Manager Lucy Shomali – Assistant Director – Strategic Planning and Regeneration
Status (public or exempt)	Public
Wards affected	High Barnet Ward
Enclosures	None
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	Not applicable

Contact for further information: Judith Ellis, Valuation Manager, 020 8359 7364, Judith.ellis@barnet.gov.uk.

1. RECOMMENDATIONS

- 1.1 That the property is declared surplus to the council's requirements.**
- 1.2 That the disposal of the council's freehold interest in 2 Salisbury Road to UBS, is approved on the terms detailed in this report.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 None.**

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.
- 3.2 The Corporate Plan also commits the Council to delivering a successful London suburb with a key strategic objective being the creation of an environment within which business and enterprise can flourish through the development of Planning Frameworks to promote improvement and manage new development in key town centres including Chipping Barnet.

4. RISK MANAGEMENT ISSUES

- 4.1 There is a potential risk in disposing of an asset without marketing of a challenge that a less than best transaction has been agreed should an offer be submitted without marketing that exceeds the independent valuation, the inability of a purchaser to deliver the strategic objectives of the council in terms of the improvements required under the proposed framework agreement, would result in the bid being rejected. The transaction may then be considered a less than best transaction. However if the difference between the restricted and unrestricted value is less than £2 million, this would fall within the general consent.
- 4.2 It is considered that the financial offer submitted by UBS does represent best value in financial terms, and an independent report from the VOA will be commissioned to support this.
- 4.2 The tenants of the building are holding over under leases that have expired. The proposed disposal would be subject to suitable alternative accommodation being offered by UBS to enable vacant possession and for UBS to implement their development proposals.

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.

5.2 The loss of a community facility, will be addressed by UBS in providing an alternative location for the lessees within the Spires Development, together with arrangements for temporary relocation during any construction period.

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 below.

6.2 UBS will bear the councils reasonable legal costs in this matter.

7. LEGAL ISSUES

7.1 Any disposal of land must comply with the provisions of Section 123 of the Local Government Act 1972 in that except with the consent of the Secretary of State, a council shall not dispose of land under this section otherwise than for the a consideration less than the best that reasonably be obtained.

7.2 The freehold will be sold subject to the occupation by the BOPW and IPOP.

8. CONSTITUTIONAL POWERS

8.1 Constitution, in 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 The council own the freehold interest in 2 Salisbury Road, Barnet, a single storey detached building on a site with a total area of approximately 550 square metres, shown outlined on the attached plan

9.2 The property is occupied by the BOPW who are holding over under a lease which expired on 2nd April 2009, at a rent of £3000 pa, and IPOP who's lease expired on 4th July 2010 at a rent of £4950 pa.

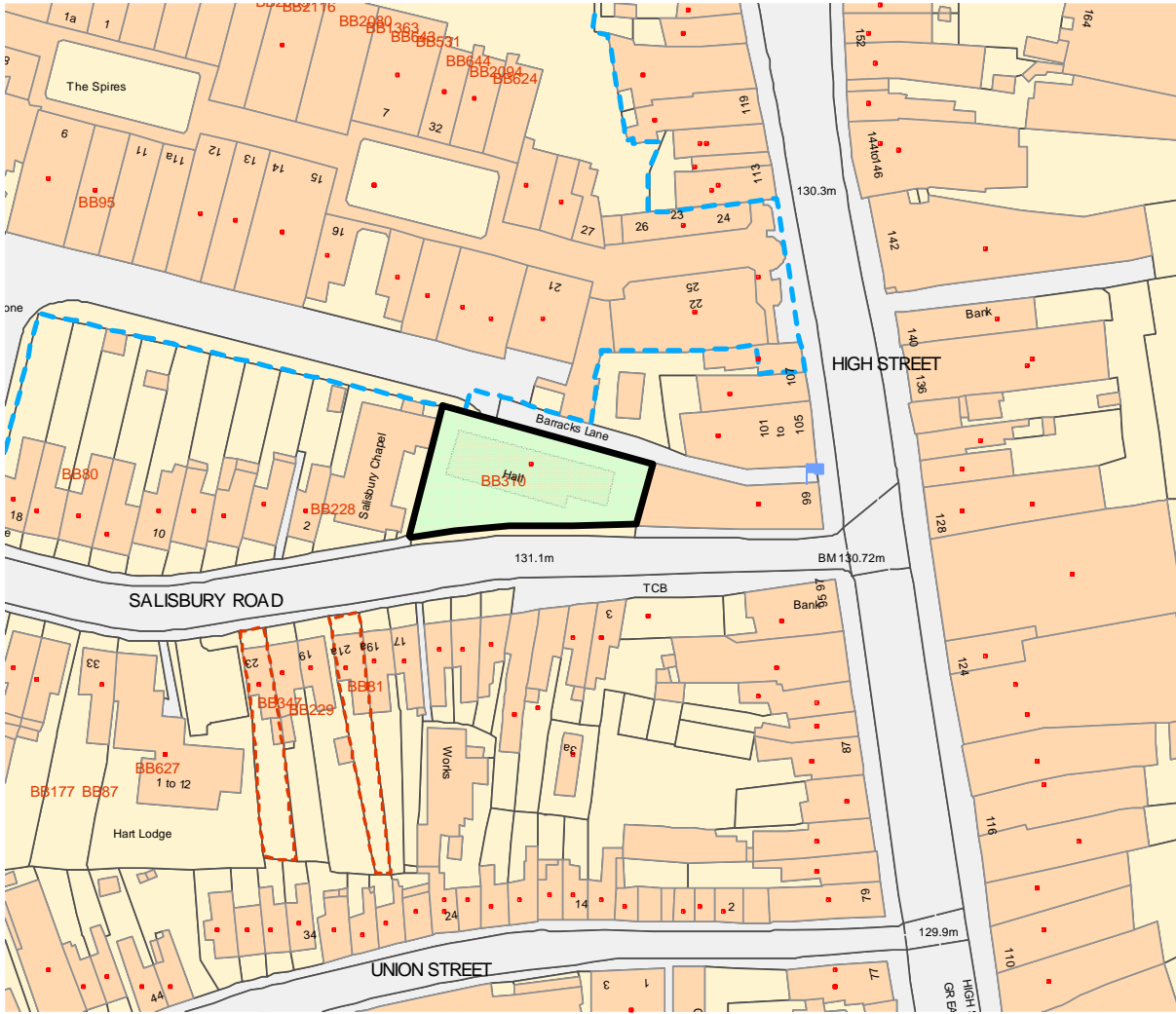
9.3 The premises are located on a parcel of land adjoining the Spires Shopping Centre and provides a key site for the expansion of the Spires.

9.4 The council are currently developing a Planning Framework for the northern end of Chipping Barnet Town centre to include The Spires Shopping Centre, Barnet Market Site and Territorial Army (TA) centre. The Framework sets out the key policy and development issues affecting this area and identifies that through new development there is an opportunity, if managed pro-actively, to support the rejuvenation of the wider town centre. The Framework is being consulted on during March/April with a view to formal adoption by the council in summer 2012

- 9.5 The Framework sets out a number of development objectives for this part of the town centre which include enlargement of the retail offer to help achieve a “critical mass” of development to enhance the vitality and viability of the town centre. Specifically in relation to The Spires the Framework considers that this can be achieved through:
- enhancing and expanding the offer provided by the Spires through opening up its current frontage and improving pedestrian linkages through the centre;
 - exploring opportunities to incorporate Barnet Market into the Spires thereby creating a retail triangle between the High Street/the Spires and Barnet Market and enhancing access and visibility of all three retail offers;
 - improving the layout of units to encourage take up by established retailers thereby providing further anchor attractions to encourage footfall to this part of the centre;
- 9.6 The framework area includes the site of 2, Salisbury Road as it is considered that this site could provide an opportunity (subject to planning) to facilitate internal reconfiguration/limited extension to The Spires to create larger units to attract a wider range of High Street stores.
- 9.7 UBS are proposing to acquire the council's interest in the building in order to deliver a first phase of their proposals for enhancement of the shopping centre through creation of a number of larger units which will attract a wider range of high street retailers and improve the quality of the retail offer provided. UBS have submitted a bid for the site as detailed in the exempt report, which is considered to represent best value. An independent valuation has been requested from the Valuation Office, to confirm that this has been achieved.
- 9.9 The tenants have been consulted and provisional agreement has been reached with BOPW for relocation subject to planning. In addition the disposal will not be marketed as the delivery of this strategic requirement is only available to the freehold owner of the shopping centre.
- 9.10 However an expression of interest has been received from a private developer for the site, with a proposal for an infill development. An initial bid as detailed in the exempt report has been submitted, with confirmation that the freehold interest will be accepted subject to the occupation by the BOPW and IPOP.
- 9.11 In view of the council's strategic requirement to enhance and rejuvenate this location by expanding the Spires shopping centre, it is proposed that the offer is rejected.
- 9.13 In order to achieve a capital receipt from the site, secure the relocation of the lessees, and provide the opportunity for the rejuvenation of the spires shopping centre, it is recommended that approval is given to the disposal as detailed in this report.

LIST OF BACKGROUND PAPERS

- 10.1 None.



Plan

:
 :
 © Crown Copyright. All rights reserved. London Borough of Barnet. OS Licence No LA100017674 2012

