

Meeting	Cabinet Resources Committee
Date	18 October 2012
Subject	The Sale of the Freehold Interest in the Former Watling Boys Club Dryfield Road Burnt Oak HA8 9JU
Report of	Cabinet Member for Resources & Performance
Summary	Approval to sell the freehold interest in the former Watling Boys Club on Dryfield Road to Turnhold Properties Limited

Officer Contributors	Judith Ellis – Valuation Manager Richard Malinowski – Principal Valuer
Status (public or exempt)	Public with separate exempt report
Wards Affected	Hale Ward
Key Decision	Yes
Reason for urgency / exemption from call-in	Not applicable
Function of	Executive
Enclosures	Plan of site and photograph
Contact for Further Information:	Judith Ellis, Valuation Manager, judith.ellis (Valuation Team)@barnet.gov.uk ; Richard Malinowski, Principal Valuer, richard.malinowski@barnet.gov.uk

1. RECOMMENDATIONS

- 1.1 That the Cabinet Resources Committee take into account the information contained in the public and the exempt reports and agree that authority be given to complete the sale of the Council's freehold interest in this site to Turnhold Properties Limited.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet Resources Committee 28 March 2011 (Agenda Item 10) resolved that the site of the Former Watling Boys Club in Dryfield Road be sold to Greencourt Property Group Ltd, the bidder making the highest unconditional offer.
- 2.2 The Committee also resolved that if the bid failed to be completed within the time frame set out in the report, then the second highest unconditional offer made by Fairview New Homes Ltd should be considered.
- 2.3 Business Management Overview and Scrutiny Sub-Committee Meeting (Overview and Scrutiny Meeting) 11 April 2011(Agenda Item 6) call- in of Cabinet Resources Committee decision. The Sub-Committee decided not to refer the above matter back to the Cabinet Resources Committee for reconsideration - Decision item no 10.
- 2.4 Officer under Delegated Powers (DPR 1428) in Consultation with Cabinet Member on the 23 September 2011 approved the sale to Fairview New Homes Ltd.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 Under the Corporate priority 'Better Services with Less Money', the Council has committed to 'Better use Council assets'.
- 3.2 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 occasions involving additional repairing costs.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 The property was widely marketed such that it was open to any category of persons 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 takes account of the Council's statutory duty to promote equal opportunities and to eliminate discrimination and inequality amongst persons of different race, gender and disability. The proposed disposal has been evaluated against the principles in the Equalities Policy 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 allocated budget for properties pending disposal within the Commercial Service budgets. There are no procurement, performance and value for money, staffing, IT or sustainability implications.
- 6.2 The property has been fully marketed and recommending accepting the highest unconditional bidder will ensure compliance with Section 123 of the Local Government Act 1972, the requirements of which are set out in paragraph 7.1.

7. LEGAL ISSUES

- 7.1 In disposing of the property in reliance on subsection 2 of Section 123 of the Local Government Act 1972, the Council has a statutory duty to obtain best consideration; 'Except with the consent of the Secretary of State, a council shall not dispose of land under this section, otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained'. It is the view of the Valuation Manager that, subject to any later bid, the disposal in accordance with the recommendation will achieve this requirement
- 7.2 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.
- 8.2 The Council's Constitution in Part 4, Council Procedure Rules, Management of Real Estate, Property and Land, states in paragraph 19 that 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

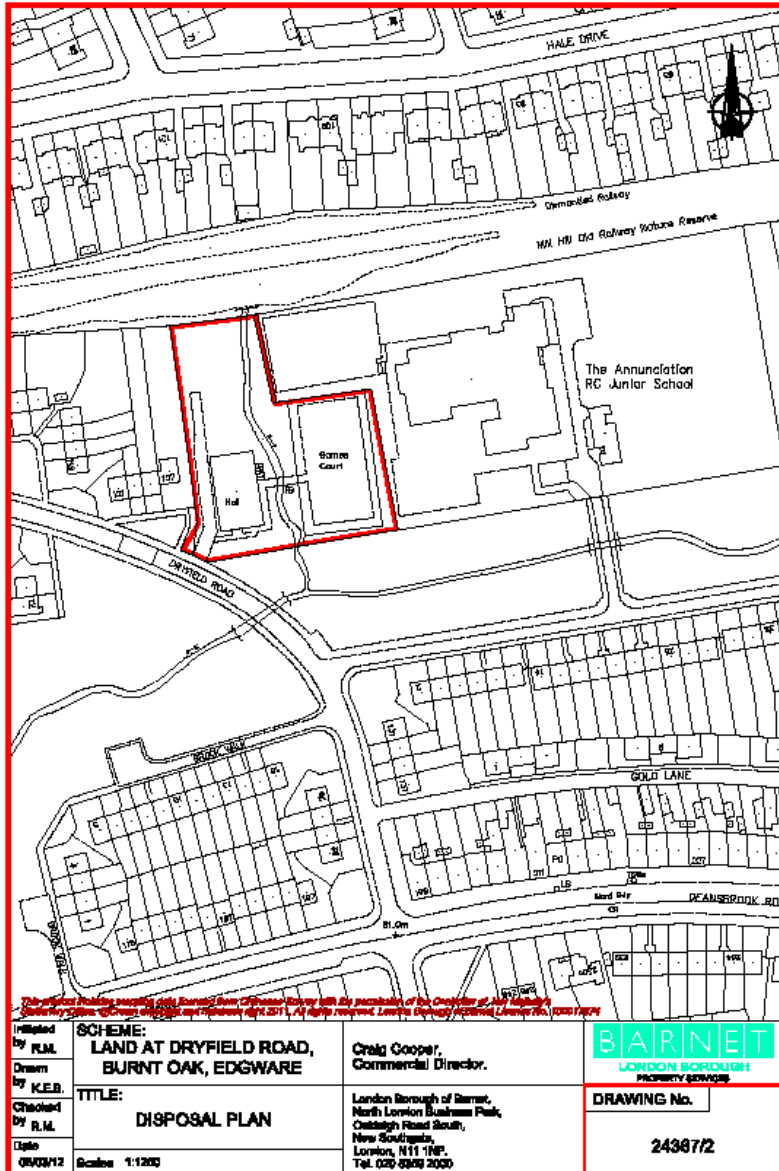
- 9.1 The Cabinet Resources Committee on 28 March 2011 approved the sale of the property to Greencourt Property Group, the bidder that made the highest unconditional offer. The Legal Department were instructed to prepare a draft contract and transfer. However in June Council officers were contacted by Greencourt and were advised that they would be withdrawing their offer.
- 9.2 Council Officers then contacted Fairview New Homes Ltd, the bidder that had made the second highest unconditional offer to establish whether they were still interested in proceeding. Fairview submitted an offer approximately £150,000 lower than their original offer and a sale was approved. Again the legal department were instructed but in January 2012. Officers were informed that Fairview were unwilling to proceed with their offer.
- 9.3 In the meantime Turnhold Properties Ltd, who had once been the highest bidder, conditional on obtaining planning consent, came forward with a proposal to take over the scheme proposed by Fairview. Turnhold, who had been in regular contact continually, indicated a willingness to proceed either on a conditional or unconditional basis. Following Fairview's withdrawal, a letter with two proposals was submitted to the Council and both offers are set out in the accompanying Exempt report. There is a significant difference between the two offers, one being unconditional and the other subject to planning. Following discussions with the planners, officers concluded that the concept scheme submitted had the potential for obtaining planning consent. Discussions have since taken place between Turnhold and the planners and further information on planning is provided in the Exempt report. Under the circumstances approval is being sought for a sale to Turnhold on the basis of the conditional offer subject to planning.

10. LIST OF BACKGROUND PAPERS

- 10.1 Council's Estates Strategy 2011-2015

Cleared by Finance (Officer's initials)	MC
Cleared by Legal (Officer's initials)	JKK

Appendix – Site Plan



Initiated by R.M. Drawn by K.E.B. Checked by R.M. Date 08/04/12	SCHEME: LAND AT DRYFIELD ROAD, BURNT OAK, EDGWARE TITLE: DISPOSAL PLAN	Craig Cooper, Commercial Director. London Borough of Barnet, North London Business Park, Oakleigh Road South, New Southgate, London, N11 1NF. Tel: 020 8988 2000	
Scale: 1:1200			DRAWING No. 24367/2