

AGENDA ITEM: 8 Page nos. 21 – 25

Meeting Cabinet Resources Committee
Date 10 February 2005
Subject **Former Council store at 3 Lyndhurst Avenue, N11**
Report of Cabinet Member for Resources
 Cabinet Member for Performance, Partnerships and Best Value
Summary To consider the options for the disposal of this vacant and surplus property.

Officer Contributors Elisha Cohen, Valuer, Economic and Community Development
Status (public or exempt) Public – with a separate exempt report
Wards affected Coppetts
Enclosures Plan No.1
For decision by Committee
Function of Executive
Reason for urgency / exemption from call-in (if appropriate) N/A

Contact for further information: Elisha Cohen, Property Services and Valuation Group – Tel 020 8359 7357

1. RECOMMENDATIONS

1.1 If the Committee is minded to accept the offer from the Hindu Cultural Society for the grant of a 99 year lease of 3 Lyndhurst Avenue, that:

- i. the appropriate Chief Officer be instructed to appoint (in accordance with the Constitution) an independent valuer to advise upon the acceptability of the offer from the Hindu Cultural Society; and**
- ii. subject to the independent valuer confirming that the offer represents best consideration and to the Cabinet Member for Resources giving final approval under delegated powers on the basis set out in paragraph 5.3 of the report, that the Council grants a 99 year lease of the property to the Hindu Cultural Society upon the basis set out in the report.**

1.2 If the Committee is minded not to accept the offer from the Hindu Cultural Society, that the appropriate Chief Officer be instructed to offer the property for freehold sale by way of non-binding tender in accordance with the provisions of the Constitution and with the result thereof being reported to a future meeting of the Committee.

2. RELEVANT PREVIOUS DECISIONS

2.1 Recreation, leisure and Arts Committee 17th November 1997. Approved decision to transfer all of the library stock that was stored at 3 Lyndhurst Ave to Hornsey Library basement

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

3.1 The corporate plan commits the council to 'plan and manage land use and development in Barnet to enhance quality of life and provide tangible benefits for the community'. The proposal in this report do this by facilitating the achievement of the capital receipt from the sale of this property which can be used to assist in funding the Council's approved capital programme

4. RISK MANAGEMENT ISSUES

4.1 Notwithstanding the information set out in the exempt report.

5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

5.1 The offer made by the Hindu Cultural Society for the acquisition of a long leasehold interest is set out in the exempt report. An estimate of the value of the site for freehold sale for redevelopment is also set out in the exempt report.

5.2 Notwithstanding the information set out in the exempt report, if it is decided to accept the offer from the Hindu Cultural Society it will be prudent to first seek independent advice upon the capital premium offered. The Council must be able to demonstrate that it has complied with Section 123 of the Local Government Act 1972 and obtained best consideration.

Consequently, it is recommended that an independent valuer is appointed in accordance with the Constitution to advise upon the offer and that if the independent valuer confirms that the offer does represent best consideration, final approval to granting a long lease to the Hindu Cultural Society being given by the Cabinet Member for Resources under his delegated powers. If the independent valuer's report concludes that the offer does not represent best consideration then the matter will be referred back to a future meeting of the committee.

5.3 There are no ICT or staffing issues. The property issues are set out below.

6. LEGAL ISSUES

6.1 None.

7. CONSTITUTIONAL POWERS

7.1 Constitution – Council Procedure Rules – Financial Standing Orders & Rules for Disposal of Land and Real Property.

7.2 Constitution – Part 3 Responsibility for Functions – Section 3.6 Functions delegated to the Cabinet Resources committee – All matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.

8. BACKGROUND INFORMATION

8.1 Following the cessation of use of the premises as a Libraries book store in 1997/98 the property was put to a variety of storage uses. However, consequent upon the move to offices at North London Business Park and other accommodation changes this space has become surplus to requirements.

8.2 The property is shown edged black on the attached drawing. It comprises a two storey 1900s building providing 1,680 sq.ft on the ground floor and 1,423 sq.ft at first floor level. There is no lift. Decoratively it is generally in poor condition with a need for a variety of general repairs. Because of its age substantial refurbishment will be needed to make it suitable for present day uses. The ground floor space includes two large garages and a yard. The yard is also used by the Hindu Cultural Society to gain access to their adjoining accommodation. The overall site area is approximately 0.14 acres/0.057 hectares.

8.3 All head of Service have been made aware of the availability of the premises for other uses. However, because of the type of space, its age, condition and location its is not considered suitable to meet current or future service delivery needs.

8.4 As the property is surplus to requirements it could be offered for sale on the open market in accordance with the Constitution (Rules for the Disposal of Land and Real Property). However, there has been an approach from the leasehold owners of the adjacent property, the Hindu Cultural Society, seeking to acquire a leasehold interest in 3 Lyndhurst Gardens.

- 8.5 The Hindu Cultural Society holds a lease from the Council of the premises at 321 Colney Hatch Lane (shown hatched on the drawing). The lease was granted for a term of 125 years from 22nd December 1987 (thus having approximately 108 years unexpired) at a peppercorn rent in consideration for a capital premium payment in the sum set out in the exempt report. The property is used by the Society as a community centre. The lease does not permit the lessees to redevelop the site , use the building for other purposes or assign the lease.
- 8.6 The Hindu Cultural Society wished to take a lease of the premises at 3 Lyndhurst Avenue so that it can carry out refurbishment and improvement works and use the premises as an extension to its activities in the adjacent premises.
- 8.7 From a planning view point the use proposed by the Hindu Cultural Society is likely to be acceptable. Exploratory discussions and negotiations were conducted with the Society resulting in the capital premium offer set out in the exempt report for the grant of a full repairing and insuring lease for a term of 99 years at an annual rent of a peppercorn. The lease terms will be similar to those contained in the lease of 321 Colney Hatch Lane with the use being for the purpose of cultural, educational, recreational and social activities including ancillary religious use.
- 8.8 As referred to in the exempt report, subject to obtaining independent valuation advice, it is considered that the capital premium offer from the Hindu Cultural Society represents market value for the proposed use. The Council will still hold the freehold interest, as it does with the adjacent premises at 321 Colney Hatch Lane, and therefore it will be able to influence any future redevelopment and additional value arising therefrom.
- 8.9 If it is concluded that it is not appropriate to accept the offer from the Hindu Cultural Society arising from the private treaty negotiations, then it is recommended that the property be offered for freehold sale on the open market by way of a non-binding tender. An estimate of the freehold value of the property is set out in the exempt report.

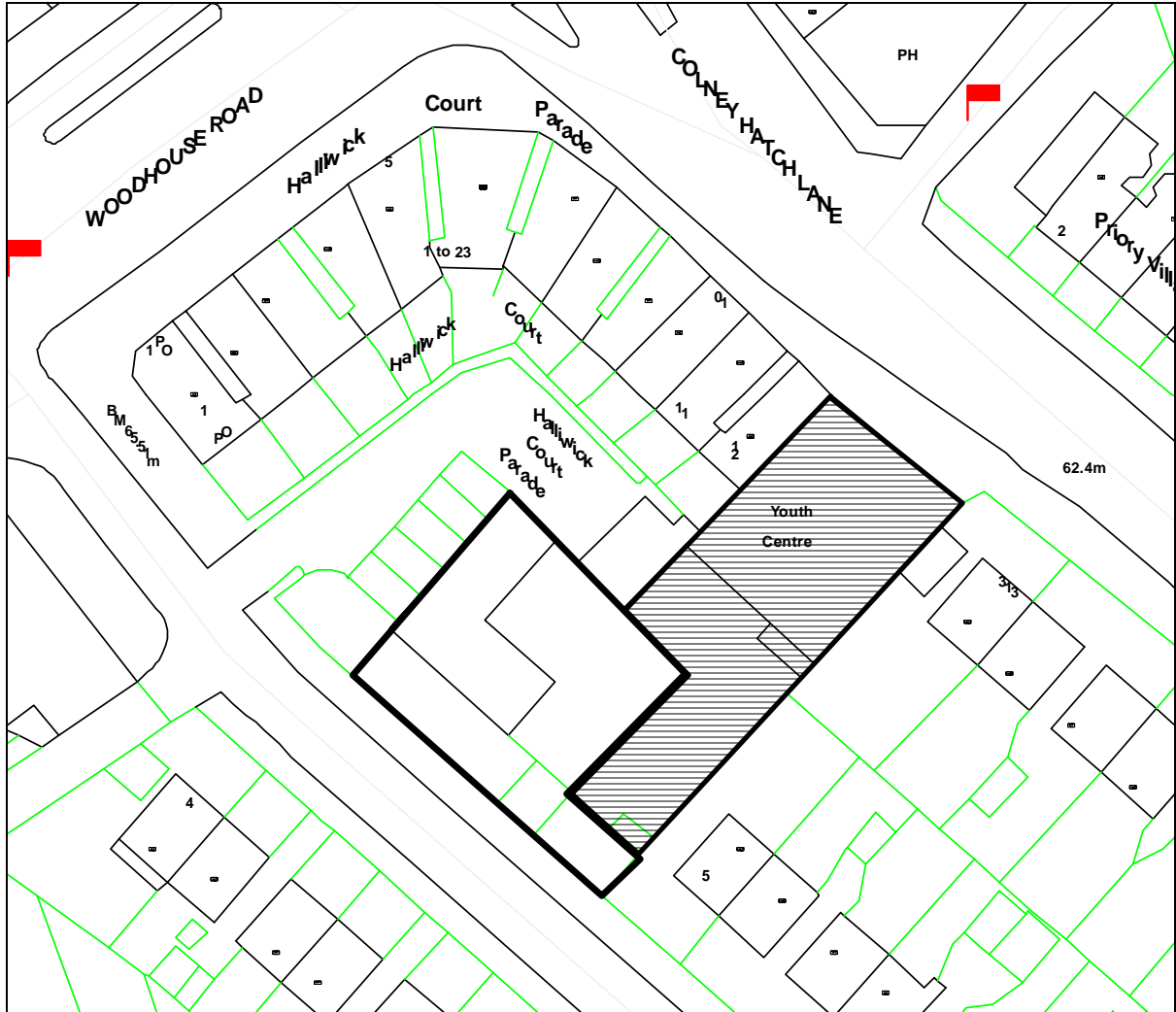
9. LIST OF BACKGROUND PAPERS

- 9.1 None.

BS: DVP
BT: CM

PLAN No.1

Former Book Store, Lyndhurst Avenue



NOT TO SCALE

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