

AGENDA ITEM: 10

Page nos. 30 – 34

Meeting	Cabinet Resources Committee
Date	10 February 2005
Subject	Disposal of Deansbrook Day Centre, Deansbrook Road, Edgware
Report of	Cabinet Members for <ul style="list-style-type: none">• Resources• Performance, Partnerships and Best Value
Summary	To seek approval to the freehold sale of this property

Officer Contributors	George Church, Principal Valuer, Property Services and Valuation Group
Status (public or exempt)	Public
Wards affected	Burnt Oak
Enclosures	Plan 1
For decision by	Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information: George Church, Principal Valuer, Property Services and Valuation Group Tel 020 8359 7353

1. RECOMMENDATIONS

- 1.1 That approval be given to the freehold sale of the former Deansbrook Day Centre, Deansbrook Road, Edgware 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** Resources Executive – 22.1.2001 – agreed that the sale of the former Deansbrook Day Centre be approved in principle and that officers should enter into further negotiations with McLean Homes and report back on the results thereof.
- 2.2** Cabinet Resources – 26 September 2002 – That, subject to title and the completion of all legal documentation in a form to be approved by the Borough Solicitor, the offer from George Wimpey North London Limited to acquire the freehold interest in the former Deansbrook Day Centre, Deansbrook Road, Edgware, together with all access rights, be accepted.

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 the quality of life and provide tangible benefits for the community”. The proposals in this report will do this by achieving a capital receipt from the sale of the land which can be used to assist in funding the Council’s approved capital programme.

4. RISK MANAGEMENT ISSUES

- 4.1** Informal planning advice is that the site may be suitable for redevelopment for three town houses. By seeking non-binding tender offers there is a possibility that potential developers may be able to produce schemes of greater density which may enhance the land value. The process will also produce high offers for unachievable schemes.

5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

- 5.1** The estimated capital receipt is set out in the exempt report.
- 5.2** There are no staffing or ICT implications. The property implications are set out below.

6. LEGAL ISSUES

- 6.1** None.

7. CONSTITUTIONAL POWERS

- 7.1** Constitution – Contract Procedure Rules – Financial Standing Orders & Rules for Disposal of Land and Real Property.
- 7.2** Constitution – Part3 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 The property comprises a single story building with a gross internal floor area of 357.3 sq.m. (3846 sq.ft). It is located on a back land site (at the rear of 1-4 Deansbrook Cottages) of approximately 0.065 hectares (0.16 acres) – edged black on the attached plan. The land and building is accessed via a shared, private road (shown hatched on the plan) which also affords access to a new housing development, Symphony Court, on the adjacent former Boosey and Hawkes factory site.
- 8.2 The land and buildings, together with access rights over the adjoining private road were acquired in September 1964 for uses as a rehabilitation centre for handicapped people. Latterly, it was used for many years as an elderly persons day centre but was closed a few years ago and remains vacant.
- 8.3 The building is in poor condition and it was considered that the optimum value of the property lay in its redevelopment for residential purposes. Negotiations for its freehold sale were therefore entered into with the developers of the former Boosey and Hawkes site, George Wimpey North London Limited. The outcome of these negotiations was reported to and accepted by the Cabinet Resources Committee on 26 September 2002. However, the developers were not able to secure planning consent for their proposed redevelopment scheme. This resulted in the developer significantly reducing its offer and the sale did not therefore proceed.
- 8.4 The property remains vacant and in poor condition and the site is becoming subjected to fly-tipping. Heads of Service have been consulted and have confirmed that the property will not suit current or future service delivery needs. Thus, its freehold sale is still considered to be the appropriate course of action.
- 8.5 Because of its back-land location and the problems of over-looking, the informal planning advice is that the site may be suitable for a development of three town houses. However, because of the site constraints, a simple “red line” application for outline planning permission is unlikely to be acceptable. Additionally, a planning refusal would have a blighting effect on the land.
- 8.6 If the site was offered for sale at public auction without the benefit of a planning permission the bids would reflect the risk that planning permission may not be achievable. Similarly, binding tender offers would also reflect the same risk. It is difficult to assess the likely consequences of reflecting risk but it would be reasonable to suggest that offers could be up to 30% lower than with the non-binding tender process. By inviting non-binding tender offers developers will bid on the basis of what they believe can reasonably be achieved and the Council can take advantage of their efforts to maximise the planning potential. It is therefore recommended that the property be offered for sale by non-binding tender in accordance with the procedures set out in the constitution.
- 8.7 Based upon the experience of marketing properties by way of non-binding tender, the particulars of disposal will include requirements for proper scheme proposals to be submitted and a realistic programme for obtaining planning permission and completing the purchase. The contract will have a strict timescale for making a planning application. There will also be provision for the Council to receive a significant share of any ‘profit’ if the purchaser sells the site on within three years of purchase without first carrying out any development.

9. LIST OF BACKGROUND PAPERS

9.1 None

BS: PD
BT: CM

Plan 1

The Deansbrook Day Centre site is shown shaded on the plan



NOT TO SCALE

© Crown Copyright. All rights reserved. London Borough of Barnet. Licence No LA086290 2004