

AGENDA ITEM: 9 Page nos. 32 - 35

Meeting Cabinet Resources Committee

Date 10 November 2005

Subject **Disposal of Deansbrook Day Centre,
Deansbrook Road, Edgware**

Report of Cabinet Member For Resources

Summary To report on the issue of binding tender documentation to the top four bidders for the above property, from the previous tender invitation. A report on the tender results will follow as a late item as soon as possible after the tender closing date of 26 October 2005.

Officer Contributors George Church, Principal Valuer, Property Services and Valuation Group

Status (public or exempt) Public (with a separate exempt section)

Wards affected Hale

Enclosures None

For decision by The 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 7366

1. RECOMMENDATIONS

- 1.1 That the appropriate Chief Officers be instructed to proceed with the freehold sale of the Deansbrook Day Centre in accordance with the recommendation contained in the report to be circulated as soon as possible after the tender closing date of 26 October.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Resources Executive – 16 June 2005 – approved acceptance of the tender offer from the Edgware Muslim Community for the freehold sale of the former Deansbrook Day Centre.
- 2.2 Cabinet Resources Committee 21 July 2005 – Agreed to suspend the sale of the former Deansbrook Day Centre pending the presentation of a further report to the Committee due to the receipt of a late unconditional offer from another organisation to purchase the property.
- 2.3 Delegated Powers Report of the Leader of the Council and the Cabinet Member for Policy and Performance, reference VAL/CMDP/07/05, August 2005 – authorised the four tenderers named in the exempt report be invited to make a binding tender offer for the purchase of the freehold interest in the former Deansbrook Day Centre, answering the following questions:
- a the size of the local community which they represent
 - b the numbers of members within their organisation
 - c. the proposed uses of the building and hours of use
 - d. the numbers of people using the premises at any one time
 - e the age range of people to benefit from the use of the premises
 - f how people will travel to the premises and how car parking in the locality will be controlled
 - g how they intend to engage with the neighbours

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 firstly by returning the building to use by one of the community groups listed in the attached exempt report. Secondly, there is a possibility of achieving an enhanced capital receipt compared to that offered in April 2005 from the sale of the property, which can be used to assist in funding the Council’s approved capital programme.

4. RISK MANAGEMENT ISSUES

- 4.1 The risk of the Council being in breach of Section 123 of the Local Government Act 1972 in proceeding with the highest tender received from the Edgware Muslim Community Centre when the property was first offered for sale by tender, has been addressed by the re-tendering of the freehold interest in the property by binding tender to the four parties referred to in

section 1 of the exempt section of this report. A further risk management matter is referred to in section 3 of the exempt report.

5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

- 5.1 Details of the offers received are set out in section 1 of the exempt part of the report.
- 5.2 There are no staffing or ICT issues. The property implications are set out below

6. LEGAL ISSUES

6.1

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 In March 2005 the property was offered for sale by non binding tender inviting offers for the purchase of the freehold or the grant of a long lease. The marketing particulars stated that the property was suitable for either redevelopment or community use, subject to planning. The tender closing date was 22 April 2005.
- 8.2 At its meeting on 16 June the Cabinet Resources Committee agreed to accept a tender offer from the Edgware Muslim Community Centre for the freehold acquisition of the former Deansbrook Day Centre, as set out in section 1 of the exempt report.
- 8.3 In July a late, unconditional offer, was received for the property from one of the unsuccessful original tenders. This offer is set out in section 2 of the exempt report. To avoid acting illegally and breaching the provision of Section 123 of the Local Government Act 1972, the Committee, at its meeting on 21 July, agreed the suspension of the sale to the Edgware Muslim Community
- 8.4 The Delegated Powers report of August 2005 stated that the difference between the offer from the Edgware Muslim Community Centre and the later, unsolicited, offer was such that proceeding by way of a contract race was not considered appropriate. The Edgware Muslim Community Centre had been informed of the acceptance of their “subject to contract” offer and they were fully expecting to complete the purchase of the former day centre. It was

considered that it would be inequitable to accept the new unsolicited offer, without giving the other top 3 tenderers the opportunity of reviewing their offers.

- 8.5 The Delegated Powers report referred to in paragraph 8.4 above authorised that the four tenderers named in section 1 of the exempt section of this report be invited to make binding tender offers for the purchase of the freehold interest in the former day centre, at the same time giving answers to the questions set out in paragraph 2.3 above.
- 8.6 To minimise delay in achieving the sale, binding tenders have been despatched to the four previous tenderers referred to above. To allow a reasonable period for the tenderers to reconsider the matter and return the binding tenders, a return date for the tenders has been set of 26 October. The results of the binding tender exercise are not therefore known at the time of writing this committee paper. The results will be placed on circulation as late information for members consideration as soon as possible after the tender closing date.
- 8.7 In addition to reporting on the sum tendered, the report will also deal with the tenderer's response to the 7 points referred to in paragraph 2.3 above at a-g. this information and the price tendered will be set out in a table for consideration.

9 LIST OF BACKGROUND PAPERS

- 9.1 None.

BS:

BT: