

**AGENDA ITEM: 9**

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Meeting	Cabinet Resources Committee
Date	28 June 2006
<b>Subject</b>	<b>Totteridge Library, 109 Totteridge Lane, N20</b>
Report of	Leader and Cabinet Member for Resources
Summary	To report the outcome of the tender invitation and to seek approval for the sale of the freehold interest in the property.

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Officer Contributors	Rob Colville, Principal Valuer, Property Services & Valuation
Status (public or exempt)	Public (with a separate exempt section)
Wards affected	Totteridge
Enclosures	Appendix A
For decision by	The Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information: Rob Colville, Principal Valuer, Property Services & Valuation.

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## **1. RECOMMENDATIONS**

- 1.1 That the freehold sale of Totteridge Library to the highest bidder be approved on the terms set out in the exempt report.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Cabinet 19<sup>th</sup> February 2004 and Council 2<sup>nd</sup> March 2004 – approval of 2004/5 budget including closure of Totteridge Library.
- 2.2 Cabinet Resources Committee 18<sup>th</sup> March 2004 (decision item 7) – resolved that the former Totteridge Library be offered for freehold sale by non-binding tender with potential purchasers being invited to put forward proposals for the re-provision of a library facility.
- 2.3 Cabinet Resources Committee 17<sup>th</sup> March 2005 (decision item 7) – reported the outcome of the initial tender process and, in the absence of viable proposals, resolved to allow a single local developer to commence direct negotiations with the Council.
- 2.4 Cabinet Resources Committee 21<sup>st</sup> July 2005 (decision item 7) – resolved that the Committee noted the action taken to date to market the property and that the appropriate Chief Officers be instructed to:

- i. Offer the former Totteridge Library premises for freehold sale on the open market;
- ii. appoint external agents to act for the Council in the marketing and sale of the property;
- iii. investigate any unexplored options and costs for a replacement library facility;

and that the outcomes of the above be reported to a future meeting of the committee for further consideration.

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 The Corporate Plan commits the Council to improve asset and contract management. The proposals in this report will result in the Council achieving a capital receipt which could be used to assist in funding the capital programme.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 Unconditional offers were invited for the freehold interest in the property with vacant possession. The preferred tender is submitted unconditionally and is subject only to contract. The completion of the sale will not be delayed whilst a planning application is submitted.

- 4.2 The risk of the winning tenderer failing to complete the purchase of the property has been minimised by Council Officers through the completion of credit checks detailing the financial status of the preferred bidder.
- 4.3 The property remains vacant and is vulnerable to acts of vandalism and burglary. The further delay of the disposal of the site will result in a continuing financial liability to the Council.
- 4.4 The loss of the library facility is likely to generate public opposition, as was the case in 2004.

## **5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS**

- 5.1 The financial aspects of the tender are set out in the exempt report. Failure to maximise the value of surplus assets will increase the risk of increased borrowing in future years to fund the capital programme.
- 5.2 There are no staffing or ICT issues at this stage. 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 The property was initially marketed for sale and the outcome considered by this Committee as referred to in paragraphs 2.2 and 2.3 of this report. Subsequently, and in accordance with the decision of this committee, a single local developer was invited to prepare and submit a scheme proposal, together with a financial offer for the site. The developer was given the same project brief as that produced when the property was taken to the market in 2004.
- 8.2 As agreed by this Committee, the developer was allowed a period of up to 10 weeks to submit his proposal. During this time the developer met with all relevant Council Departments including Planning, Cultural Services and Highways & Design. The developer subsequently submitted a written offer for the site and was invited to discuss his proposals with the Chief Valuer and Development Manager. The scheme submitted was of a similar nature to many of the proposals put forward during the initial tender process in that it attempted to accommodate both a replacement library facility and a private dwelling on the site. The developer seemed to have overcome the previous concerns of the Planning

Department with regard to development density by reducing both the size of the library facility and the residential element. The planners gave informal advice to the effect that such a scheme may be granted planning permission subject to the scheme proposal meeting the necessary guidelines with regard to amenity space, distance between overlooking windows and the criteria set by Highways & Design governing parking provision. The Library Service accepted the proposed reduction in the size of the premises in-principle. However, the offer was not considered to be financially acceptable from the Council's viewpoint and therefore could not be recommended for acceptance nor, because it was so far from the initial aspirations of the Council (to produce both a new library facility and a capital receipt), for further discussion.

- 8.5 As agreed by this Committee the decision was made to re-market the property for freehold sale through an external agent whilst exploring any further options and costs for the provision of a replacement library facility. A number of property agents were invited to tender for the disposal of the subject property. The bid submitted by Savills (L&P) Limited was felt by officers to represent best value to the Council, both in terms of the quality of service provided and of the level of fees incurred.
- 8.6 The marketing of the property for freehold sale commenced in March 2006. Adverts were placed in three local newspapers as well as the Estates Gazette. The marketing process generated 199 enquiries. The sales brochure was subsequently mailed or e-mailed to all of those interested, as well as to a list of a further 213 existing contacts from Savills database. Block viewings were conducted on a regular basis throughout the month of March and into early April 2006, with in excess of 60 potential purchasers taking the opportunity to formally view the premises.
- 8.7 By the closing date of Friday 7<sup>th</sup> April 2006 31 submissions had been received. The detail of the submissions and comments thereon are set out in Appendix A and in the exempt report. The offer received from the preferred tender winner, as outlined in the exempt report, will deliver to the Council the highest capital receipt. The tender is recommended for acceptance on this basis.

## **9. LIST OF BACKGROUND PAPERS**

- 9.1 None

Legal: JO'H

Chief Finance Officer: CM

## APPENDIX A

<b>BID No.</b>	<b>SCHEME</b>	<b>CONDITIONS</b>
1	None detailed	Subject to contract
2	None detailed	Subject to contract
3	None detailed	Subject to contract
4	None detailed	Subject to contract
5	None detailed	Unconditional
6	Primary Care Medical Centre and community use hall	Subject to planning for a primary care medical centre and use of the building to the rear for public benefit. Subject to contract and site survey
7	None detailed	Subject to contract
8	None detailed	Subject to contract
9	Refurbishment as a private residence	Subject to planning to convert the building back to a private dwelling. Subject to contract and vacant possession on completion.
10	None detailed	Unconditional
11	Refurbishment as a private residence	Unconditional
12	Refurbishment as a private residence, possibly with some dental/medical use	Unconditional
13	None detailed	Subject to contract
14	None detailed	Subject to contract
15	None detailed	Subject to contract
16	Refurbishment as a private residence	Unconditional
17	Refurbishment as a children's day nursery	Subject to satisfactory structural survey and clarification of planning use class. Subject to contract.
18	None detailed	Unconditional
19	None detailed	Unconditional
20	None detailed	Subject to contract
21	None detailed	Subject to contract
22	None detailed	Subject to contract
23	None detailed	Subject to contract
24	None detailed	Subject to contract and vacant possession
25	Five self-contained flats and a single storey family dwelling with associated parking	Subject to planning for the proposed development
26	Refurbishment as a private residence	Unconditional

27	Refurbishment as a private residence.	Subject to contract. Escalating bid if the Council insurance policy will cover reparatory work upon perceived subsidence. The nature of the escalating bid is undisclosed.
28	None detailed	Subject to contract
29	None detailed	Subject to contract
30	None detailed	Subject to contract
31	Refurbishment as a private residence.	Subject to contract. A further financial contribution (as detailed in the exempt report) will be paid if residential planning consent is secured prior to completion. An overage provision exists (as detailed in the exempt report) if planning consent is granted before October 2006.