

**AGENDA ITEM: 5**

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<b>Meeting</b>	Cabinet Resources Committee
<b>Date</b>	27 July 2006
<b>Subject</b>	Disposal of Park House, N2
<b>Report of</b>	The Leader/Cabinet Member for Resources
<b>Summary</b>	To report on progress in the Disposal of Park House to Hampstead Garden Suburb Institute

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Officer Contributors	Geoff Collins - Assistant Chief Valuer
Status (public or exempt)	Public
Wards affected	East Finchley
Enclosures	None
For decision by	The Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	Not Applicable

Contact for further information: Geoff Collins, Assistant Chief Valuer

## **1. RECOMMENDATIONS**

- 1.1 That unless by 31 August 2006, The Hampstead Garden Suburb Institute have secured the planning consent they require and that suitable funding is arranged so that they are in a position to proceed with the purchase of the Council's freehold interest in the property, then the Chief Valuer be instructed to commence the remarketing of the property this Autumn.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Cabinet 19 January 2004 – agreed that Park House should be offered for freehold sale on the open market and that agents be appointed to act on the Council's behalf.
- 2.2 Delegated Powers Report 26 April 2004 – grant of a short term lease of the premises to Hampstead Garden Suburb Institute.
- 2.3 Cabinet 25 November 2004 – agreed to accept the unconditional offer of Sherm Properties Limited for the freehold of Park House subject to the temporary subletting.
- 2.4 Cabinet Resources Committee 16 June 2005 – considered the unsolicited offer from Hampstead Garden Suburb Institute to purchase the freehold and authorised that exchange of contracts take place with the first party able to exchange.
- 2.5 Delegated Powers Report 14 October 2005 – reported that Sherm Properties had withdrawn and authorised that negotiations continue with Hampstead Garden Suburb Institute and that the temporary lease to the Institute be extended to 31 August 2006.

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

- 3.1 The Corporate Plan commits the Council to deliver consistently high performing internal and transactional support services measured by Capital income through property disposals. The proposals contained in this report do this by ensuring that the existing negotiations for sale are concluded or the premises are remarketed during the current financial year.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 I have considered whether the issue involved are likely to raise significant levels of public concern or give rise to policy considerations. I do not consider that these proposals raise any issues of public concern or give rise to policy considerations.

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

- 5.1 In the event that the sale to The Hampstead Garden Suburb Institute ("The Institute") does not proceed and the property is remarketed, the receipt of the proceeds from disposal may be delayed until 2007/2008.
- 5.2 There are no staffing or ICT implications.

## **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 Institute remain committed to proceeding with the purchase of the freehold as previously reported. However, they have not yet secured their funding and this is further complicated by the situation with planning consent.
- 8.2 The Institute wish to continue using the property for educational use and have appealed against the temporary consent which has been granted. Until this appeal is determined and unless they achieve permanent educational use, the Institute are unlikely to be able to secure the funding necessary to complete the purchase.
- 8.3 We have to consider the possibility that the Institute will be unable to proceed with the purchase and that the property will be remarketed.
- 8.4 Following discussions with the Institute we have agreed that we will allow them until the end of August 2006 to have progressed matters to a point where their ability to complete within a reasonable time is likely. In the event that such progress has not been made we recommend that Savills be instructed to remarket the property this Autumn.
- 8.4 Savills advise that, in the event that we have to remarket Park House, the temporary lease to the Institute will not have a prejudicial affect.
- 8.5 A DPR is in circulation to approve the extension of the short term lease to The Institute until August 2007.

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

- 9.1 None.

Legal: SWS  
CFO: MG