
Meeting	Cabinet Resources Committee
Date	17 December 2012
Subject	Former Child Guidance Centre, East Road, Burnt Oak HA8 0AJ
Report of	Deputy Leader of the Council / Cabinet Member for Resources and Performance
Summary	To sell the Council's freehold interest in the above property to The Noam Primary School Limited, on the terms detailed in this report.

Officer Contributors	Judith Ellis, Valuation Manager (Property Services)
Status (public or exempt)	Public (with a separate exempt report)
Wards Affected	Burnt Oak
Key Decision	Yes
Reason for urgency / exemption from call-in	Not applicable
Function of	Executive
Enclosures	Location Plan
Contact for Further Information:	Contact for further information: Judith Ellis, Valuation Manager (Property Services), judith.ellis(Valuation Team)@barnet.gov.uk

1. RECOMMENDATION

- 1.1 That further to the Cabinet Resources Committee decision dated 7 November 2011 the freehold interest in the site known as the Former Child Guidance Centre, East Road, Burnt Oak, HA8 0AJ is sold to The Noam Primary School Limited on the terms detailed in this and the exempt report.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet Resources Committee 8th July 2004 (Item 14) – Resolved that, subject to the grant of planning permission, the freehold interest in the former Child Guidance Centre site at East Road, Burnt Oak be transferred to Ealing Family Housing Association for the building as a replacement for the Merrivale elderly persons care home and day centre in exchange for the transfer back to the Council of the current Merrivale site at East Road, Burnt Oak and the grant of a short-term, non-renewable lease of the existing care home and day centre to Ealing Family Housing Association at a peppercorn rent.
- 2.2 Cabinet Resources Committee 31st October 2007 (Item 13) - Resolved to accept the conditional offer from St James's Investments Ltd to acquire the Council's freehold interest in Watling Car Park and other lands (including East Road), as detailed in the report.
- 2.3 Cabinet Resources Committee - 7 November 2011 (Item 7) – Resolved - (1) To approve the remarketing of the Council's freehold interest in the former Child Guidance Centre. (2) That the results of the remarketing exercise are reported to the Cabinet Member for Resources and Performance for approval, under Delegated Powers, of the final terms of disposal.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The Corporate Plan commits the Council to delivering 'Better services with less money'. A key principle of the medium term financial strategy is to continually review the use of Council assets in order to reduce the cost of accommodation year on year, and to obtain best consideration and use for any surplus assets. The sale of this surplus site will generate a capital receipt.
- 3.2 Ensuring every school is a good school for every child is a priority in the Barnet Children and Young People Plan 2010-2013 and supports the corporate priority of 'a successful London suburb'. In addition Barnet Council has a statutory duty under Section 14 (1) of the Education Act 1996 to ensure that sufficient schools for providing primary (and secondary) education are available in the area.

Approving the sale to Noam will help increase parental choice and contributes towards the Council's priority of "sharing opportunities and sharing responsibilities".

4. RISK MANAGEMENT ISSUES

- 4.1 The premises are currently vacant and derelict, and although the building is fenced it is still subject to break-ins, rough sleeping, arson and the dumping of waste. A security company have been instructed to carry out regular inspections resulting in ongoing security costs.
- 4.2 We have considered whether the issues involved give rise to significant levels of public concern or policy considerations and we are satisfied that there are no concerns other than the possibility of some members of the public may raise objections to a planning application for the construction and use of a new school and objections by the Environment Agency because the site is located in a flood plain.
- 4.3 The disposal is subject to planning permission being granted for a new school, which will be considered through the normal democratic process and appropriate provisions for the same will be included in the sale contract.
- 4.4 The site is located adjacent to the Silk Stream and so sits within a flood plain. The Environment Agency has discretion to ask the planning authority to reject any planning application based upon their own criteria for developments on flood plains adjacent to watercourses. A concept drawing has been submitted to the Environment Agency by the school but at the time of writing this report no feedback has been received from the Agency on the acceptability of the development or if there would be any effect on neighbouring areas within the council's ownership. If the Agency asks the Planning Authority to reject the application the Council will not be able to sell to the recommended bidder, although the repair and renovation of the existing building is less likely to give rise to an objection. If the proposal to develop the site negatively impacts on the Council's proposals regarding the sale of the Watling Avenue Car Park located on the other side of the Silk Stream and the associated flood alleviation works, the Council will not complete the sale to NOAM. Consequently officers will be liaising with the Environment Agency to ensure any proposal by the school does not adversely impact the proposal at Watling Avenue. If necessary the contract will contain a provision enabling the council to terminate the contract
- 4.5 If the Planning Application fails or the Environment Agency object forcing Noam to withdraw the Council will be obliged to re-market. We understand that the organisation that submitted the highest offer is already looking at another site.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 Under the Equality Act 2010, the Council must have due regard to the need to:
- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
 - b) advance equality of opportunity between those with a protected characteristic and those without;
 - c) promote good relations between those with a protected characteristic and those without.
- The 'protected characteristics' referred to are: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation. It also covers marriage and civil partnership with regards to eliminating discrimination.

5.2 The Noam Primary school is proposing to join the maintained sector as a voluntary aided Jewish school. This would increase the number of publicly funded school places available in the borough. The school will be open to all faiths and so will help to meet demand for primary school places.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

6.1 There are no procurement, performance and value for money, staffing, IT or sustainability implications. The financial and property implications are set out in paragraph 8 below and in the accompanying exempt report.

7. LEGAL ISSUES

7.1 Subject to the provisions of Section 123 of the Local Government Act 1972 under Section 123 a Council may dispose of land held by them in any manner they wish. Except with the consent of the Secretary of State a Council shall not dispose of land under Section 123, otherwise than by way of a short tenancy for a consideration less than best that can be reasonably obtained.

7.2 By Circular 06/03 Local Government Act 1972: General Disposal Consent (England) 2003, the Secretary of States consents to a disposal otherwise than by way of a short tenancy, in circumstances where,

(a) the Council considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area or of all or any persons resident or present on it area: -

The promotion or improvement of economic wellbeing;
The promotion or improvement of social well-being;
The promotion or improvement of environmental well-being and

b) The difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000 (two million pounds).

8. CONSTITUTIONAL POWERS (Relevant section from the Constitution, Key/Non-Key Decision)

8.1 Constitution, Part 3, Responsibility for Functions - paragraph 3.6 states the functions of the Cabinet Resources Committee which includes all matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.

8.2 The Council's Constitution in Part 4, Council Procedure Rules, Management of Real Estate, Property and Land, states in paragraph 19 that all recommendations for approval of the sale price and other terms of disposal must contain a statement from the Chief Valuer or, if appointed, from suitably qualified external agents that the Council will obtain the best price which can

reasonably be obtained or that there is approval through the General Consent or that the consent of Central Government has been obtained or will be sought to enable the disposal of the property to proceed as recommended.

9. BACKGROUND INFORMATION

- 9.1 The site was originally part of a larger site that included the Watling Avenue Car Park. Negotiations took place with a property development company to develop a residential scheme and a supermarket. Terms were agreed, but the company decided not to proceed. Since then discussions on the Watling Car Park were initiated with Tesco and terms have been agreed.
- 9.2 A marketing campaign of the subject site commenced shortly after Cabinet Resources Committee approved the disposal of the site on 7th November 2011. The campaign included advertising on the council's webpage, the Estate Gazette on 7th January 2012, property weekly and two adverts were placed in the Times Series Newspapers in December and January.
- 9.3 Unconditional bids were originally invited for the middle of February but a delay in removing asbestos prevented viewings by potential parties until 20th February 2012. A number of bidders requested permission to be submitted conditional on planning. Consequently, Property Services extended the marketing period with the closing date for informal tender bids to be received by the 21 March 2012. In addition the invitation was extended to the other bidders to include conditional offers.
- 9.4 The Council received a total of eight bids from five different parties with a number of bidders subsequently increasing their offers. The offers together with the dates received are detailed in the exempt report.
- 9.5 As the site has been exposed to a full marketing campaign on an informal tender basis, the highest offer received is considered to represent the best consideration reasonably obtainable. However the recommendation of the report is to proceed with the second highest offer on the basis of a disposal at less than best consideration.
- 9.6 As indicated in paragraph 7.2 this falls within the General Consent as the difference between the restricted and unrestricted value is less than £2,000,000.
- 9.7 . The recommendation to dispose of the site at less than best consideration is on the basis that the disposal to the school will contribute to the promotion or improvement of the economic, social or environmental wellbeing of the area, and fall under the general wellbeing powers available to the council on disposal.
- 9.6 The Council has a statutory duty under section 14(1) of the Education Act 1996 to ensure that there are sufficient school for providing primary (and secondary) education places in the area. There is significant and increasing demand for primary school places in Barnet. To meet demand for September 2012, 19 additional Reception classes were created. This required significant capital funding from Council resources. Noam school intends to consult on entering the maintained sector, which, if successful, would increase the

number of state-funded primary school places available to the Jewish community. Before this can commence, The Council needs to be assured that the school is in appropriate premises to minimise the capital risk to the Council. Securing premises at East End Road will enable Noam to accommodate more children at the school, which will help to increase the number of school places available to children in the Borough.

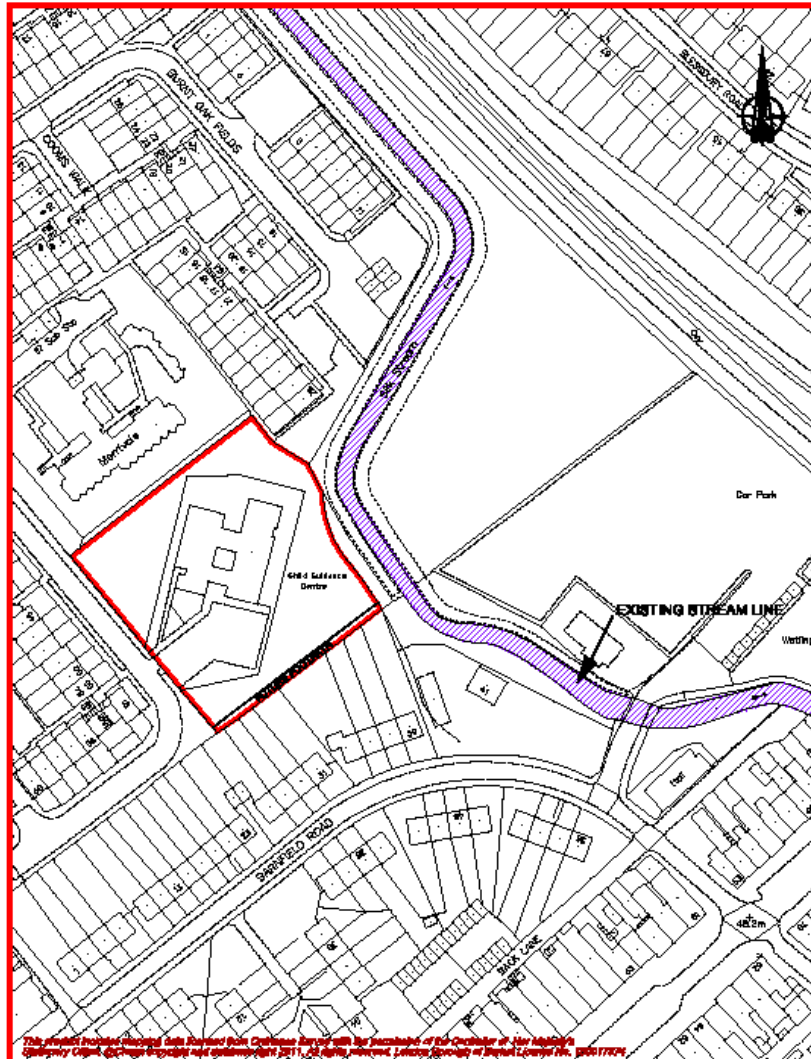
- 9.7 Rights will be reserved to the Council for a footpath running along the southern boundary of the site which will provide for a footbridge being constructed across the Silk Stream giving pedestrian access to Watling Avenue Car park site. Rights will also be reserved along a land strip adjoining the stream, to allow the re-alignment of the stream as part of the Flood Alleviation Works.
- 9.8 The sale is being referred to the Cabinet Resources Committee due to the recommendation which involves a sale at undervalue.

10. LIST OF BACKGROUND PAPERS

10.1 Location Plan

Cleared by Finance (Officer's initials)	JH/MC
Cleared by Legal (Officer's initials)	JOH

Location Plan



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Initiated by a.s.	SCHEME: CHILD GUIDANCE CENTRE, EAST ROAD, BURNT OAK.	Craig Cooper, Commercial Director.	BARNET LONDON BOROUGH VOLUNTARY SERVICES
Drawn by K.E.S.	TITLE:	London Borough of Barnet, North London Business Park, Chesham Road South, New Southgate, London, N11 1NP. Tel. 020 8999 2000	DRAWING No.
Checked by E.E.	SITE PLAN		24127/2
Date 12/08/11	Scale 1:1250		