
Meeting	Cabinet Resources Committee
Date	25 February 2013
Subject	Land and Garages Adjoining 1 Garth Road, Childs Hill NW2 2NJ
Report of	Deputy Leader of the Council / Cabinet Member for Resources and Performance
Summary	Authority is sought to proceed with the sale of the council's freehold interest in land and garages adjoining 1 Garth Road Childs Hill NW2 2NJ

Officer Contributors	Andrew Malinowski – Principal Valuer (Property Services)
Status (public or exempt)	Public (with separate exempt report)
Wards affected	Childs Hill
Key Decision	No
Reason for urgency / exemption from call-in	N/A
Function of	Executive
Enclosures	Appendix A – Plan number 24420/2; and Appendix B – Site Photograph.
Contact for further information:	Andrew Malinowski, Principal Valuer, Property Services, Tel: 020 8359 7367 andrew.malinowski@barnet.gov.uk

1. RECOMMENDATIONS

- 1.1 That the Committee agree to the sale of the Council's freehold interest in the land and garages shown edged red on the attached plan no. 24420/2 , subject to the grant of planning consent, to Mr. Perparim Rama, on the terms detailed in this and the accompanying exempt report.**
- 1.2 That if Mr Perparim Rama does not complete the purchase within 6 months of submission of the draft Contract to his legal advisers, the second, third, fourth and fifth highest bidders, as identified in the accompanying exempt report, be invited to submit their best and final offers.**
- 1.3 That following the submission of best and final offers in accordance with recommendation 1.2, the Cabinet Member for Resources and Performance be authorised to approve, under his delegated powers, the disposal of the land and garages shown edged red on the attached plan no. 24420/2 to the highest bidder.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 None

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The Corporate Plan 2012-13 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 so as to reduce the cost of accommodation year on year and to obtain best consideration for any surplus assets to maximise funds for capital investment and/or the repayment of capital debt. This proposal does this by producing a capital receipt and reducing maintenance and management costs

4. RISK MANAGEMENT ISSUES

- 4.1 Three garages are located on the site. The garages are in fair condition with one garage vacant and two let on weekly licences. A month's notice to terminate the licences will be given by Barnet Homes as rent is paid monthly. There is a minor risk of delay should a licensee fail to vacate.
- 4.2 At the commencement of the marketing campaign it was noticed that an adjoining owner at 80 Hendon Way had encroached on the small triangular shaped area of land to the west of the garages, coloured pink on the attached plan. From correspondence with the owner of 80 Hendon Way the Council has been advised that a claim for adverse possession will be made for this part of the site, as well as a prescriptive easement over the land shown hatched on the plan. The prospective purchaser is aware of the likelihood of claims being made and is prepared to proceed with the purchase.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 The property was widely marketed such that it was open to any category(ies) of person(s) to submit a bid, irrespective of race, sex, disability, sexual orientation, marital status, transgender, age, religion or religious belief. Further, the Council's Equalities Policy and Scheme take account of the Council's statutory duty to eliminate discrimination and inequality amongst persons of different race, gender and disability and to promote equal

opportunities amongst persons of different race, gender and disability. The proposed disposal has been evaluated against the principles in the Equalities Policy and no adverse implications for any, specific, equalities group has been identified.

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 property implications are set out in paragraph 9 below.

6.2 The sale of the site will provide a capital receipt of £82,500, and a reduction in potential maintenance costs. The garages currently generate an income of £ 1,450 p.a. (£ 2,200 p.a. if fully let), which will be lost to the Housing Revenue Account.

7. LEGAL ISSUES

7.1 The site is held for housing purposes under Part II of the Housing Act 1985. Section 32 of the 1985 Act provides that a local authority may dispose of land held by them for the purposes of Part II in any manner, but only with the consent of the Secretary of State.

7.2 The “General Consents for the Disposal of Land held for the purposes of Part II of the Housing Act 1985-2012” allows local authorities to dispose of land held for housing purposes without the need to obtain the consent of the Secretary of State.

7.3 Under General Consent A3.2 a local authority may dispose of vacant land. This includes assets that are not dwellings such as garages, drying areas etc at any price determined by the local authority.

7.4 Local authorities are given powers under Section 123(1) of the Local Government Act 1972 to dispose of land held by them in any manner they wish. The only constraint is that, except with the consent of the Secretary of State, a disposal must be for the best consideration reasonably obtainable. It is the view of the Valuation Manager that the proposed disposal to Mr Rama will achieve this.

8. CONSTITUTIONAL POWERS

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

8.2 Council Constitution 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 measures some 116 square metres. The three garages are of concrete construction with pebble dash finish, flat roof and metal sliding doors with a concrete forecourt.
- 9.2 Following a request by the owner of 1 Garth Road to acquire the garages and forecourt, the land was publically advertised for sale.
- 9.3 The two month marketing campaign ended on the 26 November 2012 and there were some 90 enquires resulting in 46 bids. These were both conditional on planning, and unconditional. These bids are detailed in the accompanying exempt report.
- 9.4 The highest bidder has submitted a proposal which is subject to the grant of planning permission for residential use. Planning advice is that this is likely to be recommended for approval.
- 9.5 The number of enquiries indicated a high level of interest and the number of bids confirmed adequate exposure to the property disposal market.
- 9.6 The regeneration team have been consulted as a result of the proximity of this site to the Granville Road Regeneration Project, and have confirmed that they have no objection to the disposal. The garage lettings are managed by Barnet Homes and they have no objection to the proposed disposal.
- 9.7 Details of the offers received are included in the accompanying exempt report.
- 9.8 Officers are of the opinion that 6 months from the date of submission of the draft sale Contract to Mr Rama's legal advisors is sufficient time for him to obtain planning consent and complete the sale. Should he fail to complete the purchase within the given time frame then it is proposed that the Council pursues an alternative sale by approaching the next four highest bidders, as identified in the accompanying exempt report, inviting them to submit their best and final offers, the Cabinet Member for Resources and Performance being authorised to approve the disposal to the highest bidder under his delegated powers.

10. LIST OF BACKGROUND PAPERS

- 10.1 None

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