



# Cabinet

23 JULY 2012

**LEADER (+  
REGENERATION,  
ASSET  
MANAGEMENT AND  
IT)**

*Councillor Nicholas  
Boterill*

**CABINET MEMBER  
FOR CHILDREN'S  
SERVICES**

*Councillor Helen  
Binmore*

**CABINET MEMBER  
FOR HOUSING**

*Councillor Andrew  
Johnson*

**CONTRIBUTORS**

DBPM  
DFCS  
DLDS  
DChS

**HAS A EIA BEEN  
COMPLETED?  
N/A**

**HAS THE REPORT  
CONTENT BEEN  
RISK ASSESSED?  
YES**

**ASSET DISPOSALS 2012/ 2013**

This report provides details of three asset disposals being progressed during 2012/ 2013 where authority is sought to dispose.

Further comments on the financial status of these properties are in the separate report on the exempt Cabinet agenda.

**Wards:  
Town, Sands End,  
Hammersmith  
Broadway**

**Recommendation:**

**That officers be authorised to dispose of the following properties for the best price reasonably obtainable and otherwise on such terms and conditions as the Director for Legal and Democratic Services and the Director of Building and Property Management consider appropriate.**

**William Thompson Memorial Hall 1-5  
Burnthwaite Road**

**Metro Building, Butterwick**

**Bumpsa Daisies Nursery Site,  
Broomhouse Lane**

## **1. INTRODUCTION**

- 1.1 As part of the Council's asset management function, a review of the Council's property assets is regularly undertaken. A recent review has resulted in the identification of certain properties which are no longer required to be owned by the Council and are surplus to the Council's requirements.
- 1.2 This report sets out the details of 3 properties which require formal approval from Cabinet to declare surplus and be sold.
- 1.3 The details of each property are set out below.

## **2. DISPOSALS REQUIRING CABINET APPROVAL**

- 2.1 Authority is now requested to dispose of the following properties:
- 2.2 **William Thompson Memorial Hall, 1-5 Burnthwaite Road – Housing & Regeneration**
  - 2.2.1 William Thompson Memorial Hall is owned freehold by the Council and is an in-fill site comprising of a single storey building with pitched corrugated roof with pedestrian access only from Burnthwaite Road. It is situated to the rear of 9-21 Dawes Road and 10-18 Burnthwaite Road. The internal layout is open plan with 3 smaller rooms and w.c.'s and net internal area is approximately 167 sq m (1,795 sq feet).
  - 2.2.2 The building was previously used as a Scout Hall. It is currently vacant and it is considered to be surplus to requirements.
  - 2.2.3 William Thompson Memorial Hall is held in the HRA account.
- 2.3 **Metro Building, Butterwick – Transport and Technical Services**
  - 2.3.1 The Metro Building is owned Freehold by Aviva and the Council owns the Superior Long Leasehold interest until 2098 at a peppercorn rent and lets to PRUPIM on a similar term at a rent which is reviewed every five years to 15% of open market value of the property.
  - 2.3.2 Cabinet approval is requested to agree terms and conditions (including ensuring the price achieved compensates for the loss of rental income for the remainder of the term and if appropriate that a marriage value as a result of merging the remaining interests is shown to represent best consideration for the Council) as seen appropriate by the Director of Building and Property Management.
- 2.4 **Bumpsa Daisies Nursery Site, Broomhouse Lane – Children's Services**
  - 2.4.1 The site adjoins the Castle Club and the Parsons Green Sports Club (PGSC), and is let to Bumpsa Daisies nursery.

2.4.2 Terms have been agreed to sell the site to PGSC in partnership with Phoenix Park Ltd, at a price that reflects a higher value due to the buyer being a special purchaser. The site is to be included within a partial redevelopment of PGSC.

2.4.3 The transaction includes other terms as follows:-

- The buyers are to build a new unit for the nursery of 1075 sq ft within their scheme, to be leased by PGSC to the nursery
- PGSC are to allow some shared use of the Club's sports' facilities by Hurlingham & Chelsea School and Hurlingham Preparatory School.

2.4.4 The site has not been placed on the open market as two special purchasers were identified – PGSC and the owners of the adjoining site, The Castle Club. Both parties were asked to put forward bids for this site which produced best and final bids well in excess of what would have been expected of a sale on the open market.

## 2.5 **Estimated Capital Receipt**

2.5.1 Should the above properties be approved by Cabinet as being surplus to requirements and authority is given to dispose of the buildings the total capital receipt is estimated to be £9.125 million.

## 3. **RISK MANAGEMENT**

3.1. The subject of this report is included on the departmental risk register and relates to achieving capital receipts to assist in reducing the Council's debt and supporting the savings target. Performance monitoring and action to address controllable and non-controllable risk factors (including market risk) have been implemented. This includes reporting to Corporate Asset Delivery Team, and the Department of Finance so that financial risk / implications can be managed corporately and an effective strategy is implemented.

## 4. **EQUALITY IMPLICATIONS**

4.1 All of the properties mentioned in the report have not been used to deliver Council services, as a result it is viewed that they will have little or no impact on equalities and therefore no EIA is required as there will be no change to service users.

4.2 The William Thompson Memorial Hall is currently not being used by the Council for any service delivery. The building is in poor condition and requires works to allow use as a hall. In its current state the sale of the building will have little impact on the protected characteristics

4.3 The Metro Building is held as an investment and therefore will not impact on Council services.

4.4 The nursery space is not a Council service. The sale of the nursery site will not have an impact on equality groups because it is being sold to a buyer who will re-provide with larger space and so any potential for a negative impact is mitigated.

## **5. COMMENTS OF THE EXECUTIVE DIRECTOR OF CHILDREN'S SERVICES**

5.1 The Executive Director of Children's Services' comments are included in the main body of this report.

## **6. COMMENTS OF THE EXECUTIVE DIRECTOR OF HOUSING AND REGENERATION**

6.1 The net capital receipt raised from the disposal of William Thompson Memorial Hall will be used to cover costs incurred and reinvested (so far as lawfully possible) into the provision of housing in the borough or estate improvement in accordance with the expensive voids procedure, specifically:

- To fund capital expenditure on area-based improvements that help the Council achieve its corporate objectives.
- To develop or acquire new affordable housing to meet identified housing needs, including where appropriate extension of properties.
- To fund tenant incentive initiatives (qualifying as capital expenditure) that free up council housing which is in demand for those in housing need (e.g. for larger family accommodation).
- Subject to the Council ensuring that its statutory housing responsibilities to meet housing needs are met, to use receipts to reduce HRA or General Fund debt where this is identified as a priority, and where repayment of the debt is of net financial benefit to the Council's HRA or General Fund.
- To invest in capital expenditure on planned maintenance of the current LBHF Housing Stock until this is fully funded by the HRA revenue account.

## **7. COMMENTS OF THE EXECUTIVE DIRECTOR OF FINANCE AND CORPORATE GOVERNANCE**

7.1 These properties have been identified as surplus to the Council's requirements with a view to directing the resultant capital receipt towards the Council's debt reduction strategy.

7.2 The William Thompson Memorial Hall is currently held as a non-dwelling within the Housing Revenue Account. To avoid the risk of pooling fifty percent of this receipt to central government the Council will need to demonstrate that

the proceeds will be directed towards, regeneration, affordable housing or HRA debt reduction.

- 7.3 Capital receipts can only, by law, be applied once cash has been received and the property has been disposed of (via exchange and completion). In the event that capital works are required to expedite the disposal of these properties, the funding for these works would need to be met from existing resources. These resources could however be reimbursed once the receipt is received.
- 7.4 Costs associated with the disposal can be written against the receipt but only up to a cap of 4% of the receipt.
- 7.5 Further comments are in the exempt report.

## **8. COMMENTS OF THE DIRECTOR FOR LEGAL AND DEMOCRATIC SERVICES**

- 8.1 The power to dispose is contained in the Local Government Act 1972, s 123.

### **LOCAL GOVERNMENT ACT 2000** **LIST OF BACKGROUND PAPERS**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	Property Case Files	Manjit Gahir x4886	ENV – VPS
<b>CONTACT OFFICER:</b>		<b>NAME: Miles Hooton</b> <b>EXT. 2835</b>	