



London Borough of Hammersmith & Fulham

Cabinet

18 APRIL 2011

LEADER

Councillor Stephen Greenhalgh

DEPUTY LEADER (+ENVIRONMENT AND ASSET MANAGEMENT)

Councillor Nicholas Botterill

CABINET MEMBER FOR CHILDREN'S SERVICES

Councillor Helen Binmore

CABINET MEMBER FOR RESIDENTS SERVICES

Councillor Greg Smith

CONTRIBUTORS

AD BPM
DFCS
ADLDS
DChS
DCS
DRS
ADHR

HAS A EIA BEEN
COMPLETED?
YES

HAS THE REPORT
CONTENT BEEN
RISK ASSESSED?
YES

PROPERTY DISPOSALS PROGRAMME

This report provides details of phase II of the Council's Corporate Disposal Programme.

Authority is sought to dispose of the properties detailed in this report.

Wards:

Town
Shepherds Bush
Green
Avonmore &
Brook Green
Fulham Reach
Palace Riverside
Hammersmith
Broadway
Munster

Recommendations:

1. That officers be authorised to dispose of the properties listed below in the open market for the best price reasonably obtainable and otherwise on such terms and conditions as the Assistant Director (Legal and Democratic Services) and the Assistant Director of Building and Property Management consider appropriate in consultation with the Director of Environment and the Cabinet Member for Environment and Asset Management.

The Lodge, St John's Walham Green

111 Devonport Road

Avonmore Centre (subject to public notice under Section 123(2A) Local Government Act 1972 and consideration

of any objections received).

Fulham Cross Centre, Caroline Walk

34 Fulham Palace Road

Hurlingham Yard (subject to public notice under Section 123(2A) Local Government Act 1972 and consideration of any objections received).

Nuffield Health Club, 77-81 Stevenage Road

Fulham Cemetery Lodge, Fulham Palace Road

2. That the Director of Environment, in consultation with the Cabinet Member for Environment and Asset Management, be authorised to consider any objections duly received in response to public notice given under Section 123(2A) Local Government Act 1972 (reporting back to Cabinet only if the objection is both material and one not substantially taken into account already).

1. INTRODUCTION

- 1.1 As part of the Council's asset management function, a review of the Council's property assets has been completed recently. This review has resulted in the identification of a number of properties which are not required for service delivery by the Council and are surplus to the Council's requirements.
- 1.2 The Council has identified savings of £60m which is required over the next three years in addition to reducing the Council's current debt of £133m. In light of this, the Council has undertaken a property asset review of each Directorate's property portfolio to identify land and or buildings which are considered no longer required or which can no longer be economically retained by the Council. This is in order to preserve as much funding as possible for vital frontline services to vulnerable residents .
- 1.3 This report sets out the details of 8 freehold properties which require formal approval from Cabinet to declare surplus and be sold.
- 1.4 Cabinet agreed to the sale of a number of properties in February 2011 and this report continues this process. Further reports will be forthcoming on a number of other properties as and when necessary information and advice has been received by officers in Building and Property Management.
- 1.5 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:

The Lodge, St John's Walham Green – Children Services



The lodge is situated on the corner of Filmer Road and Munster Road. The Lodge will become vacant at the end of the academic year and will be surplus to requirements.

111 Devonport Road – Community Services



The property comprises a 3 storey Victorian semi-detached building situated in a mainly residential street. It was until recently occupied by the Primary Care Trust under a business lease which expired in September 2010. The PCT vacated the premises in October 2010 and moved their services to their Headquarters now located in the Town Hall Extension. Only two rooms on the top

floor are occupied by 'Living Well' previously part of the PCT. Since leaving the PCT, Living Well have found accommodation in Ladbrooke Grove and only use the top floor on an ad-hoc basis for patient consultation. They are occupying on a Tenancy at Will at nil rent. In light of the building becoming vacant it is considered surplus to requirements.

Avonmore Centre, 14 Gorleston Street – Children Services



This property is a Freehold interest in the Council's ownership. The building is single storey of brick and block construction under a pitched profile metal clad roof, believed to have been constructed in the late 1980's. It is located at the end of Gorleston Street giving vehicular and pedestrian access. The building is also adjacent to a playground at Marcus Garvey park.

The youth centre service is being outsourced to schools and the building is therefore considered surplus to requirements and is now vacant.

It is envisaged that some land currently providing access to the building from Gorleston Street will be required in the proposed disposal. Although the building itself is not designated as 'public open space' in the UDP, the access to it is and will be subject to public notice under Section 123(2A) Local Government Act 1972 and the consideration of any objections received by the Director of Environment in consultation with the Cabinet Member for Environment.

Fulham Cross Centre, Caroline Walk – Children Services



The site is broadly L-shaped, with vehicular access from Caroline Walk or Bayonne Road.

The Property contains a single stand alone building within a 0.32 acre (0.13 ha) site providing youth club facilities. The building is predominantly arranged over two storeys with a single storey extension to the south. It dates from the

1930s, and comprises brick elevations with limited glazing beneath a pitched, tiled roof. Adjoining the eastern elevation of the property is an open recessed sports court.

This service is being outsourced to schools and the building is therefore surplus to requirements. The property is expected to become vacant on 8 April 2011.

34 Fulham Palace Road – Environment



A three storey terraced building arranged as a shop with two upper floors. The building is currently used as offices and occupied by two Trade Unions, GMB and Unite. The Trade Unions will be relocated. It is the intention of the Council to sell with vacant possession if approval to dispose is granted.

Hurlingham Yard, Hurlingham Road – Resident Services



The site is approximately 299 sq m (3,221 sq ft) with frontage to Hurlingham Road and backing onto Hurlingham Park. It comprises 5 single storey brick buildings surrounding the yard. It was previously used by Park services and is now vacant.

The site is designated as 'open space' in the UDP, as is the adjacent building known as Field Cottage which was sold by the council 7 years ago. The proposed sale of Hurlingham Yard will be subject to Section 123 (2A) Local Government Act 1972 on consideration of the representations and objections received by the Director of Environment in consultation with the Cabinet Member for Environment.

Nuffield Health Club, 77-81 Stevenage Road – Environment Services



head lessee being a special purchaser.

Situated on the corner of Stevenage Road and Eternit Walk, the Council owns the Freehold of this building. The long leasehold interest is owned by CBREi who sublet to Nuffield Health Club. The building is not used to provide a Council service and the Council only receives a peppercorn ground rent from the long leaseholders. The Council requires authority to sell the freehold interest to the

Fulham Cemetery Lodge, Fulham Palace Road – Resident Services



This site comprises a detached Victorian house built originally as the Superintendent's house and brick outbuildings within the Fulham Cemetery. The site has vehicular access from the main gates into the cemetery and also its own independent pedestrian access from Fulham Palace Road. The building is

currently being used as offices by Parking Services who are due to vacate this year and relocate to the Clem Atlee Estate.

2.2 Estimated Capital Receipt

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 £4,700,000.

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 councils 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 Equality impact assessments are available electronically.

5. COMMENTS OF DIRECTOR OF COMMUNITY SERVICES

- 5.1 The Director of Community Services' comments have been included in the body of the report.

6. COMMENTS OF DIRECTOR OF CHILDREN'S SERVICES

- 6.1 The Director of Children Services' comments have been included in the body of the report.

7. COMMENTS OF DIRECTOR OF RESIDENTS SERVICES

- 7.1 The Director of Resident Services' comments have been included in the body of the report.

8. COMMENTS OF THE ASSISTANT DIRECTOR OF HUMAN RESOURCES

- 8.1 Management have commenced consultation with the two trade unions, GMB and Unite, who occupy the premises at 34 Fulham Palace Road and advised them that further discussion will be required in order to find them alternative accommodation within the Council. These discussions will also need to take account of the proposed further review of trade union facility time which will commence at the beginning of the next financial year.

9. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

- 9.1. The cost of sales associated with each property sold is limited to 4% of the sale price for each property. The anticipated security costs associated with the disposal of these properties is approximately £20,000. The net receipts realised from each property will be used to reduce the general fund debt as required by the debt reduction strategy that is being implemented by the Council.
- 9.2. In disposing of these properties, the loss of rental income to the Council is £17,100, while the annual running cost that will be saved by the Council is approximately £79,000. Budget adjustments would have to be made to the respective Service areas to take into account the loss of income and the revenue savings that will contribute towards the MTFs Efficiency savings target.

10. COMMENTS OF THE ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)

- 10.1. The Council has power under Section 123 Local Government Act 1972 to dispose of land at the best price reasonably obtainable.
- 10.2. In the case of land forming part of an open space, Section 123(2A) imposes an additional requirement that the disposal not take place until the proposal has been advertised by public notice for 2 consecutive weeks in a local newspaper and any objections duly considered. It is normal to allow a 4 week

period for objections to be lodged. Both Avonmore Centre and Hurlingham Yard are likely to be affected by this requirement.

- 10.3. In order to comply with statutory equalities duties, where a service is materially affected as a result of a decision to dispose of the property from which it has hitherto been delivered, it is particularly important that a meaningful consultation with stakeholders should have taken place and due regard had to the result, in terms of the effect on them by reason of their sex, race, disability etc.
- 10.4. If the Lodge St John's Walham Green has been used for the purposes of a community school in the past 8 years, the consent of the Secretary of State for Education will be needed to its disposal. If the property does not exceed 8000 sq m, disposal may be covered by a general consent (but intended use of such consent will still need to be reported to the Secretary of State for Education).
- 10.5. Avonmore Youth Centre is within the title to Marcus Garvey Park. Despite the fact that the centre is not shown as being on metropolitan open land, it would be as well for the public notice given under Section 123(2A) Local Government Act 1972 to relate to the whole land to be dispose of.
- 10.6. The sale of Fulham Cemetery Lodge will (unless a revised vehicular entrance is created) mean that the purchaser will require access into the cemetery during closing hours. Whilst this may pose practical problems, there is no legal impediment, as there is no longer a statutory obligation to fence a cemetery. Given the location of the cemetery lodge at the entrance to the cemetery, consideration ought to be given to imposing restrictive covenants to ensure the lodge is not used or occupied in a manner inconsistent with the sensibilities of those attending the cemetery. Even if such covenants have an effect on the price achieved, this will not cause a breach of the Council's duty to sell for the best consideration reasonably obtainable.
- 10.7. Some properties may be subject to covenants, but these should not prevent sale, though a purchaser may require restrictive covenant indemnity cover (in which case the premium will probably have to be deducted from the sale price).

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Property Case Files	Manjit Gahir x4886	ENV – VPS
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