

Item No. 20.	Classification: Open	Date: 17 July 2012	Meeting Name: Cabinet
Report title:		Disposal of 170 Sumner Road, London SE15 6JL	
Ward(s) or groups affected:		Peckham	
Cabinet Member:		Councillor Richard Livingstone, Finance, Resources and Community Safety	

FOREWORD – COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY

This report recommends the disposal of the former housing office at 170 Sumner Road in Peckham. The building has been empty since the reorganisation of the housing department in autumn 2011, when the staff who worked there were temporarily relocated to Cator Street. Those members of staff will be based at the new Queens Road offices from September 2012.

As the building was a housing office, it is held as part of the Housing Revenue Account. As a consequence, the capital receipt from this building will be earmarked for the Housing Investment Programme to ensure that every council home is made Warm, Dry and Safe.

RECOMMENDATIONS

That the cabinet

1. Approves the disposal of the council's freehold interest in 170 Sumner Road, London SE15 6JL ("the Property"), as shown hatched black on the attached plan, to the bidder identified and on terms set out in the accompanying closed agenda report, subject to any further negotiations considered necessary by the Head of Property.
2. That should the sale not proceed to completion within a reasonable time as determined by the Head of Property, the Property be offered to the underbidder or re-offered for sale on the open market and then sold on terms to be approved by the Head of Property for the best consideration that can reasonably be obtained.

BACKGROUND INFORMATION

3. On 23 November 2010, cabinet approved the next phase of the Modernisation programme including the rationalisation of further council-occupied office space. This provided for the disposal of the Property once surplus to operational needs. Following reorganisation of office space the Property is now available for disposal.
4. The Property is a two storey office, built in the 1990s and used as an area housing office since that time. The Property has potential for residential

redevelopment. As a former Housing Office, the Property is held in the Housing Revenue Account.

5. A marketing campaign has been carried out including national advertising in the property press and a presence on the council's website. Details were circulated to interested parties already known to the council. A closing date of 15 June was set for offers.
6. The closed agenda report carried details of the offers received and for reasons of commercial confidentiality it is not possible to report these on the open agenda. The transaction being recommended will result in the redevelopment of the Property for residential use in due course. It is confirmed that the offer being recommended is the best consideration reasonably obtainable.
7. The head of property recommends that the council proceed with this sale as it meets all the relevant financial criteria and will result in an early capital receipt. It will also contribute to the regeneration of Peckham and the provision of extra housing, including affordable housing. Proposals will be subject to planning consent in the usual way.
8. It is intended to complete the sale of the Property as soon as possible. If the sale does not proceed for whatever reason, this report also seeks authority for the Property to be offered to the next best deliverable offer from the marketing process, or failing that for the property to be re-offered on the market, and then sold for the best consideration that can reasonably be obtained.

KEY ISSUES FOR CONSIDERATION

Policy implications

9. The disposal of the Property is in line with the strategy of modernising council working practices by reducing the number of satellite offices across the borough. Bringing together staff and rationalising offices has delivered a culture change in the quality and consistency of customer service. Disposal of surplus offices enables savings in property repairs and maintenance as well as occupation and facilities management costs at decommissioned sites.
10. The proposal will help to meet the council's commitment to carbon reduction through replacement of outdated energy-hungry accommodation with modern office space.
11. The Property has been considered as a possible site on which to build new homes but it is felt that other sites are preferable. The receipt may be used to support homebuilding or other capital initiatives.

Community impact statement

12. The community impact of proposals to rationalise administrative offices has been addressed in the report to cabinet on 23 November 2010 which dealt with the principle of disposal.
13. Following the implementation of the reorganisation of Housing Management from autumn 2011, housing office staff previously located at Sumner Road were accommodated in the interim headquarters for the south area at Cator Street. From August 2011 these staff will be relocated to the new shared office facility at

Queens Road. Front counter housing services have not been provided at Sumner Road for some years. Tenants in the south of the borough can access services from Harris Street, Bournemouth Road and the Peckham One Stop shop.

Resource implications

- 14. This proposal will generate a capital receipt which is expected in the financial year 2012/13.
- 15. The buyers will also contribute towards the council’s administrative costs.
- 16. The disposal of the Property will release revenue currently put towards its maintenance and security.

Consultation

- 17. Consultation has taken place as part of earlier authorities including the cabinet report of 23 November 2010. Should there be any change of use or development requiring planning consent, consultation necessary for those processes will take place.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

- 18. The legal concurrent of the Director of Legal Services is set out in the closed agenda report.

Strategic Director of Finance and Corporate Services (NR/F&R/21/6/12)

- 19. This report recommends that the Cabinet approves the disposal of the council’s freehold interest in 170 Sumner Road, London SE15. Should the disposal of the Property not proceed within a reasonable period as determined by the Head of Property, the freehold interest in the Property be offered to the under bidders or re-offered for sale on the open market and sold on terms to be approved by the Head of Property.
- 20. The Strategic Director of Finance and Corporate Services notes the resource implications contained within the report. The Strategic Director of Finance and Corporate Services also notes the efforts made to obtain best consideration for the asset. Officer time to effect the recommendation will be contained within existing budgeted revenue resources.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Cabinet report, 23 November 2010	Southwark Property, Regeneration and Neighbourhoods, 160 Tooley Street, SE1 2QH	Christopher Rhodes Principal Surveyor 020 7525 5480

APPENDICES

No.	Title
Appendix 1	Plan

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Finance, Resources and Community Safety		
Lead Officer	Eleanor Kelly, Chief Executive		
Report Author	Christopher Rhodes, Principal Surveyor		
Version	Final		
Dated	5 July 2012		
Key Decision?	Yes		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
	Officer Title	Comments Sought	Comments included
	Director of Legal Services	Yes	Yes
	Strategic Director of Finance and Corporate Services	Yes	Yes
	Cabinet Member	Yes	Yes
	Date final report sent to Constitutional Team		5 July 2012