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| Item No. | Classification: Open | Date: 14/01/03 | MEETING NAME Executive |
| Report title: | | Peckham Road – New Lister Health Centre Disposal | |
| Ward(s) or groups affected: | | Peckham Ward | |
| From: | | Strategic Director Regeneration | |

RECOMMENDATION(S)

1. That the Council dispose of its freehold interest in the New Lister Health Centre, Peckham Road, London SE15 subject to approval of the detailed terms as contained in the report on this matter within the closed agenda to this meeting of the Executive.

BACKGROUND INFORMATION

2. The subject property comprises a purpose built health centre which was completed at the end of 2001. The site also supports a dispensing chemist and ancillary car parking and landscaping. The site extends to approximately 0.30 hectares. The new centre replaced the old Lister Health Centre which was demolished as part of the Peckham Partnership regeneration programme.
3. The old Lister Health Centre formed part of the former Camden Estate and was physically linked to Camden Square. The Council identified that it would be preferable to incorporate the site into the development sites being released by the Peckham Partnership scheme. In early 1995 the health authority decided that the best way forward for health provision in the area was the development of a new health centre. The proposals for a new health centre were therefore supported by both parties.
4. Due to delays in bringing forward the project, and so as not to create knock-on delays to the overall Peckham Partnership programme, the Council undertook to develop the new health centre itself pursuant to the resolutions made at Strategic (Resources) Sub-Committee on 9th December 1998 (closed agenda) as follows: -
 - (a) That Peckham Partnership to develop the new Lister Health Centre.
 - (b) To enter into the necessary documentation with the Health Authority to construct the centre and resolve outstanding legal title issues.
 - (c) To approve the use of capital resources in the procurement of this project.
 - (d) To approve the appropriation of part of the site to the Property Holding Account.
5. The report to Strategic (Resources) Sub-Committee on 9th December 1998 (closed agenda) mentioned above noted that the Council had the option of

disposing of its freehold interest upon completion of the development to recoup the moneys expended in the construction.

KEY ISSUES FOR CONSIDERATION

6. Pursuant to the report and approvals mentioned in paragraphs 4 and 5 above the Council entered into a finance agreement and agreement to lease to effect the resolutions of the Council.
7. Under the terms of the agreement to lease the Council were obliged to build out the development and then to grant a lease to the health authority.
8. The finance agreement also contains the provisions for the sale of the completed Lister Health Centre. Under the terms of this agreement the Council is obliged to place the property on the market using an agent approved by both the Council and the health authority. Messrs Atis Real Wetherall have been appointed on this basis.

The finance agreement also sets out the formula for the split of the capital receipt upon completion of the sale. This formula is contained within the closed report on this matter to this meeting of the Executive. The capital receipt to the Council in respect of the proposed sale exceeds the Council's expenditure on the construction of the Lister Health Centre.

9. The property is held in the Property Holding Account and currently produces an annual rental income to the Council. A sale on the terms outlined in this report will mean the loss of this income stream.
10. Members will note that the sale of the freehold interest in the property will have no effect on the health authority's presence at its current location. The use of the property will still be governed by the terms of the lease and hence the landlord/tenant relationship will not be altered regardless of the proposed change of landlord.

Resource implications

11. The disposal of the Lister Health Centre will generate a capital receipt. This will be used to fund the capital programme. It is identified in the disposals listing. The sale will attract VAT as the Council has elected to waive exemption on the land.

Consultation

12. The sale of this property involves the sale of an investment property held by the Council pursuant to a finance agreement entered into by the Council in December 2001.
13. The service delivery to the public is controlled by the lease, the terms of which remain unaltered. It is therefore considered to be an uncontroversial matter and hence no consultation has been undertaken.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Concurrent Report of the Borough Solicitor & Secretary to the Council – Legal Issues

14. Legal Implications are contained within the report within the closed agenda to this meeting of the Executive.

| Background Papers | Held At | Contact |
|------------------------|--|----------------------------------|
| Property Division File | Southwark Property Chiltern House Portland Street London SE17 2ES | Paul Scaplehorn 020 7525 5633 |

APPENDIX A

Audit Trail

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|---|------------------------|--------------------------|
| Lead Officer | Paul Evans | |
| Report Author | Paul Scaplehorn | |
| Version | Final | |
| Dated | 20/12/02 | |
| Key Decision? | Yes | |
| CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER | | |
| Officer Title | Comments Sought | Comments included |
| Borough Solicitor & Secretary | Yes | In Closed Item |
| Chief Finance Officer | Yes | Yes |
| Executive Member | Yes | No |
| Date final report sent to Constitutional Support Services | | |

APPENDIX B

LOCATION PLAN