

Item No.	Classification: Open	Date: 8/07/03	MEETING NAME Executive
Report title:		Orchard Sports Ground William Booth road Anerley London SE20 - Disposal	
Ward(s) or groups affected:		Out of Borough	
From:		Strategic Director Regeneration	

RECOMMENDATION(S)

1. That the Council disposes of a long-leasehold interest at a peppercorn rental in consideration of a premium payment on the grant of the said lease.
2. That the Strategic Director Regeneration be authorised to agree the terms of the lease, including the consideration.
3. That the Strategic Director Regeneration be authorised to determine the most appropriate method of disposal, including setting the level of reserve if auction sale is used.

BACKGROUND INFORMATION

4. The site is a large former Inner London Education Authority (ILEA) sports ground extending to some 13.5 hectares (33.4 acres). Within this area there is a floodlit hard-play area of approx 1,500 sq/m (16,145 sq/ft), 12 tennis courts, changing rooms, a caretaker's house and grounds maintenance accommodation. The extent of the site is shown on the attached plan.
5. The site is located in the London Borough of Bromley and is enclosed by railway lines, two schools and a secure children's home. Access to the site is via a single track road running from William Booth Road. This access road is shared in part by Anerley Primary School.
6. The Council owns the freehold interest which was inherited on the 1 April 1990 following the abolition of the Inner London Education Authority.
7. The Council's Education department did use the facility for a number of years, although use gradually reduced and, it is understood, finally finished in 1998. The property has been declared surplus to operational requirements.
8. The property is currently occupied under the terms of a short term lease agreement to Knights Millennium Foyer who use the land as football pitches. This agreement includes a break clause in favour of the Council should vacant possession be required before expiry of the contractual term.

KEY ISSUES FOR CONSIDERATION

9. When the land was first transferred to the Council conditions attached to the transfer, one of which stated that, the Council would, on any disposal, be required to share the proceeds of any sale with the other inner London authorities. This condition has now been revoked and as a consequence the Council is no longer required to share the receipt.
10. The only condition which still applies (Condition E) states that....as soon as practicable after 1 April 1990 Southwark should negotiate with any other inner London council wishing to use the facilities and services provided by Southwark on the land from that date for the purpose of agreeing terms and conditions for such use by such other council. There is no indication that any of the other inner London authorities have expressed a wish to use the facilities and services provided by Southwark. In any event, the property has now been declared surplus to operational requirements and is unused, and as a consequence, there are no longer any facilities and/or services provided by Southwark on the site.
11. The land is zoned in Bromley's Unitary Development Plan as Metropolitan Open Land. This designation effectively means that the use of the land is limited to agriculture, forestry, out-door sports, cemeteries or other 'open space' uses. Therefore, in the absence of a change in planning policy there is no development potential of any significance.
12. Notwithstanding the comments in Paragraph 11, it is considered that there is a possibility, no matter how unlikely in the immediately foreseeable future, that planning policy will change, either in response to pressure for housing land or some other factor. If this does occur and residential use is possible the impact on value is extremely significant. If the Council sells its freehold interest in the land it will not be possible to benefit. However, if a lease is granted, as proposed, restricting the use in the lease then, if planning policy changes, the Council will be in a position to benefit financially.
13. As mentioned in Paragraph 7, the property is surplus to Council requirements and has been vacant for some time. Due to the nature of the land, problems have been experienced with vandalism of the buildings, dumping and illegal occupation by travelers. If the land is held in the hope that some enhanced value can be attained, then the Council will continue to incur management costs in terms of expenditure and officer time , with no guarantee that a change in planning policy will occur.
14. Prior to the disposal it is proposed to appropriate a small portion of the land (north eastern corner) to the adjacent Council property (Orchard Lodge secure childrens' home) in order to improve the security of that property. It is considered that this appropriation will not adversely affect the proposed disposal.
15. The sale will allow the purchaser to invest the finances necessary to bring the property back in to beneficial use.
16. The purchaser will pay the Council's costs in disposing of the land.
17. The property is held in the Council's Commercial Property Holding Account

and, as already mentioned in Paragraph 7 has been declared surplus to operational requirements.

Consultation

18. Not appropriate.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

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

19. The Executive is recommended to authorise the Strategic Director Regeneration to dispose of a long-leasehold interest at a peppercorn rental in Orchard Sports Ground William Booth Road London SE20 (“the Site”) having agreed the level of consideration, or in the case of auction disposal, having agreed the level of reserve below which the property will not be sold. The Executive will note that the Site consists of non-housing property and thus any disposal will be governed by the provisions of the local Government Act 1972 (“the 1972 Act”).
20. The Executive is advised that the Site was transferred to the Council by virtue of The Education (Inner London Education Authority) (Property Transfer) Order 1990 (“the 1990 Order”) subject to conditions. The author of this report refers to one of the conditions in paragraph 9. This condition was revoked by virtue of The Education (Inner London Education Authority) (Property Transfer) (Modification) Order 2000. However, the Site is still subject to the other condition known as Condition E. This condition provides that the maintaining Council (ie LBS) shall as soon as practicable after 1st April 1990 negotiate with any other inner London Council wishing to use the facilities and services provided by the maintaining Council on the land from that date for the purpose of agreeing terms and conditions for such use by such other Council.
21. Section 123(1) of the 1972 Act provides that the Council may dispose of land held by them in any manner they wish and sub-section (2) provides that except with the consent of the Secretary of State, a Council shall not dispose of land under this Section otherwise than by a short tenancy, for a consideration less than the best that can be reasonably be obtained.
22. The Executive is advised that provided the Strategic Director Regeneration is satisfied that;
 - a) Condition E of the 1990 Order has been fully complied with and
 - b) The proposed disposal consideration represents best consideration as required by Section 123 (2) of the 1972 Act, or in the case of a disposal at auction the reserve price set is adequate to satisfy this legal requirement then the Executive may approve the recommendations set out in paragraphs 1, 2 and 3 of this report."

Concurrent Report of the Chief Finance Officer

23. Successful disposal of this property will generate a minimum capital receipt to the Council. In addition the Council will recover surveyor's and legal costs from the purchaser.
24. The property is held in the Commercial Property Holding Account. Current capital controls dictate that 100% of the receipt generated will be available to fund future capital projects.
25. Following disposal savings in management costs in terms of actual expenditure and officer time will be made.

Background Papers	Held At	Contact
Property Division File	Southwark Property Chiltern House Portland Street London SE17 2ES	Peter Barter 020 7525 5373

APPENDIX A

Audit Trail

Lead Officer	Paul Evans	
Report Author	Peter Barter	
Version	Final	
Dated	30/06/03	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Borough Solicitor & Secretary	Yes	Yes
Chief Finance Officer	Yes	Yes
Executive Member	Yes	No
Date final report sent to Constitutional Support Services		

APPENDIX B

LOCATION PLAN