

Item No.	Classification: Open	Date: 8/07/03	MEETING NAME Executive
Report title:		Disposal – 76 – 84 Evelina Road, 51 – 61 & 65 - 69 Kimberley Avenue and 19 – 27 Dundas Road, SE15	
Ward(s) or groups affected:		The Lane Ward and Nunhead Ward	
From:		Strategic Director Regeneration	

RECOMMENDATION(S)

1. That the Council take a surrender of the existing lease at 76 – 84 Evelina Road, SE15 from the tenant and simultaneously grant a new 125 year lease (in conjunction with the disposal of 65 - 69 Kimberley Avenue, SE15). The site is shown edged thick black on the plan in appendix II.
2. That the Council dispose of 65 – 69 Kimberley Avenue, SE15 (in conjunction with the disposal of 76 – 84 Evelina Road, SE15). The site is shown edged thick black on the plan in appendix II.
3. That the Council, subject to consent from the ODPM dispose of 51 – 61 Kimberley Avenue, SE15. The site is shown edged thick black on the plan in appendix III.
4. That the Council, subject to consent from the ODPM dispose of 19 – 27 Dundas Road, SE15. The site is shown edged thick black on the plan in appendix IV.
5. That the receipt be 100% recycled into a scheme to be confirmed in appendix V.
6. That the Development & Regeneration Manager be authorised to agree the terms of the leases apart from the consideration.

BACKGROUND INFORMATION

7. The subject properties are described individually in the table at Appendix V.
8. The Council was approached by Hyde Housing Association with a view to purchasing the Councils freehold interest in 76 – 84 Evelina Road, 51 – 61 & 65 - 69 Kimberley Avenue and 19 – 27 Dundas Avenue, SE15.
9. The Director of Housing has declared the land surplus to operational requirements, apart from the occupied prefabricated dwellings at 19 & 25 Dundas Road and 53, 59 & 61 Kimberley Avenue SE15. As part of a phased development it is envisaged that these tenants will be relocated as part of phase 2 of the development timetable and the property will then be declared surplus to operational requirements.

KEY ISSUES FOR CONSIDERATION

10. Currently the properties are in poor condition, under-utilised and the existing prefabricated structures are at the end of their useful life. The proposed transaction will enable the sites to be re-developed for new build residential use (subject to planning).
11. In order to comply with Capital Finance Regulations, whereby the Council is permitted to recycle 100% of the capital receipt, it is necessary to specify the scheme for which the money is to be used. In this instance, the receipts will be recycled as detailed in appendix V.
12. The proposed tenant is to pay the Council's costs in agreeing the transaction and the costs of the planning application. On receipt of a planning consent the tenant will pay to the Council the consideration on the basis as detailed in the recommendations. All risks during the development process will be borne by the tenant.
13. Under normal circumstances, a surplus property would be marketed and sold to the highest bidder. In this case however, the site was considered more suitable for a social housing development and the synergies presented allowed Hyde to offer a price well up to expectations. In addition, the Council will take advantage of nomination rights directly benefiting applicants on the waiting list.
14. The proposed development involves the re-housing of the existing council tenants into new premises that will form part of the adjacent site. These tenants will remain in their homes until new accommodation is ready. The tenants and their current dwellings will not be transferred to the RSL.
15. It is considered that the figure provisionally agreed represents the best consideration that can be obtained and therefore complies with S.32 of the Housing Act 1985. It is also considered that the proposed transaction represents good value to the Council and acceptance is recommended.
16. The disposal of property held for housing purposes is permitted by virtue of Section 32 of the Housing Act 1985, subject to the consent of the First Secretary of State of the Office of the Deputy Prime Minister. In the case of 76-84 Evelina Road and 65-69 Kimberley Avenue a specific consent is not necessary as the transaction falls within the provisions of paragraph E3.1 of the General Consent for the Disposal of Part II Land 1999. However, in the case of 19-27 Dundas Road and 51-61 Kimberley Avenue an application for this consent is necessary and has been made for which we expect approval to be forthcoming.

Policy Implications

17. The disposal of this site will generate substantial capital receipts which will be recycled to provide funding for the East Dulwich Estate regeneration or other similar housing regeneration scheme. This helps the Council meet its commitment to regeneration and sustainability in housing as demonstrated through the 1998 – 2005 Southwark Housing Strategy.

Agenda 21

18. The approval to dispose of the property will have no agenda 21 implications.

However, the eventual development of the new housing will produce buildings using the latest sustainable building techniques and urban designs.

Consultation

19. The proposed residential development will require planning consent, which will include the usual consultation requirements. It is not considered that any further consultation is necessary.

Resource implications

20. A total capital receipt will be generated from the sale.
21. The capital receipts will be recycled/distributed as set-out in the table in appendix V.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

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

22. The Executive is recommended to accept a surrender of the existing lease of 76 - 84 Evelina Road and to dispose of 76 -84 Evelina Road SE15, 65 - 69 Kimberley Road SE15, 51 - 61 Kimberley Road SE15 and 19 - 27 Dundas Road SE15 to Hyde Housing Association on the terms and conditions outlined in the report.

As indicated in paragraph 16 the land is held for housing purposes and may be disposed of under section 32 of the Housing Act 1985, subject to the consent of the Secretary of State. The sites at 76 -84 Evelina Road and 65 - 69 Kimberley Road may be disposed of under a general consent issued by the Secretary of State provided that any dwelling houses on the land are vacant and will not be used again. The sale documentation will contain appropriate conditions to ensure compliance with the terms of the consent. As indicated in the report the Secretary of State's consent has been sought in respect of those sites not covered by the general consents and is expected to be obtained. Any specific conditions imposed by the Secretary of State will be included in the sale documentation.

Concurrent Report of the Director of Housing

23. Evelina Road and Kimberley Road

Hyde Housing Association will develop a mixed bungalow and general needs rented/shared ownership scheme on both sites. Bungalows will be built on the site of nos 51-61 Kimberley Avenue, in two phases, and a general needs/shared ownership scheme on the site of 65-69 Kimberley Avenue and the former petrol station at Evelina Road. Hyde have obtained planning consent for the bungalows. The scheme will enable the council to rehouse the adjacent prefab residents, most of whom are frail and elderly, in suitable replacement accommodation. Any surplus bungalows generated will be used for priority cases from the housing register.

24. Dundas Road

Hyde Housing Association will build a terrace of bungalows. Residents of the adjacent prefabs, most of whom are frail and elderly will be re-housed in them. Any surplus bungalows will be used to decant prefab residents from other sites or will be used to re-house other priority applicants from the Housing Register. Hyde have obtained planning consent for the scheme, which, it is anticipated, will be completed in summer 2004.

Background Papers	Held At	Contact
Property Division File	Southwark Property Chiltern House Portland Street London SE17 2ES	Michael Hanily 020 7525 5648

APPENDIX I

Audit Trail

Lead Officer	Paul Evans	
Report Author	Michael Hanily	
Version	Final Draft	
Dated	17/4/03	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Borough Solicitor & Secretary	Yes	No
Chief Finance Officer	Yes	No
Executive Member	Yes	No
Date final report sent to Constitutional Support Services	30/06/03	

APPENDIX I - IV
LOCATION PLAN

APPENDIX V

Property	Description	Capital Receipt Destination
76 – 84 Evelina Road, SE15	Former Petrol Filling Station, now under utilized derelict site.	51-61 Kimberley Avenue, SE15
65 – 69 Kimberley Avenue, SE15	Contiguous row of prefabricated housing sites. 65 Kimberley Avenue currently supports a vacant prefabricated dwelling.	51-61 Kimberley Avenue, SE15
51 – 61 Kimberley Avenue, SE15	Contiguous row of prefabricated housing sites. 53, 59 & 61 Kimberley Avenue still support dwellings occupied by secure council tenants.	51-61 Kimberley Avenue, SE15 and East Dulwich Regeneration
19 – 27 Dundas Road, SE15	Contiguous row of prefabricated housing sites. 19 & 25 Dundas Road still support dwellings occupied by secure council tenants.	East Dulwich Regeneration