

Item No.	Classification: Open	Date: 29th July 2003	MEETING NAME Executive
Report title:		Disposal of 86/88 Newington Butts and Land at Longville Road, London SE11	
Ward		Catherdals Ward	
From:		Strategic Director Regeneration	

RECOMMENDATION

1. That the Council dispose of 86/88 Newington Butts and the site at Longville Road (shown edged black on the plan contained within Appendix B to this report), 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 Council are the freehold owners of the sites shown edged black on the plan contained within Appendix B of this report.
3. 86/88 Newington Butts comprises two derelict buildings with rear yard. During the early 1990's the property was committed to a transfer in connection with the adjoining development of student housing. However, protracted litigation with the Council's then tenant prevented its release. Subsequently vacant possession was secured by agreement and the property has since been held in the property holding account. It is in extremely poor condition internally, externally and structurally.
4. The site at Longville Road comprises a level site immediately adjacent to the London Park Hotel and, following a period during which it was used informally for car parking, is now vacant and secure.
5. Both sites attract ongoing management costs.
6. The London Park Hotel is in the process of being sold, and the purchasers intend to carry out a significant scheme of redevelopment of the site that also requires the two parcels of land that are the subject of this report. The existing hotel has been a cause of considerable nuisance and damage to amenity over recent years and has been subject to ongoing enforcement action. The change of ownership therefore has the potential to achieve a significant improvement.
7. The site is within the core Elephant and Castle Masterplan area and the proposals contained in this report have been developed with the Elephant and Castle Development Team. At this stage proposals for the form of the redevelopment building have been developed but a planning application has not been submitted. It is hoped that the eventual application will be considered in the context of the emerging Elephant and Castle Supplementary Planning Guidance and Comprehensive Development Framework. The London Park Hotel site is addressed in the Framework for Development Draft for Consultation issued in June 2003. As highlighted in that document the

development proposals will serve to provide an active open frontage to St Mary's Churchyard which as Members will be unaware is currently underused.

KEY ISSUES FOR CONSIDERATION

8. The subject parcels of land extend to a total of some 0.06 hectares (0.15 acres).
9. Officers have held discussions with the purchasers of the London Park Hotel and have provisionally agreed terms to grant a long leasehold interest in the property, subject to obtaining Executive approval.
10. Should the larger development scheme not proceed then the Council's position as landowner of the subject properties is protected as the form of the proposed lease restricts any kind of development on the two sites other than that as agreed by the Council in its capacity as landowner. Should alternative plans be pursued in respect of the two sites, then this would be subject to further separate agreement.
11. It is considered that the proposals contained within the report included within the closed agenda to this meeting of the Executive represent a special purchaser transaction. The properties are held by the Property Holding Account/Leisure Services respectively and will be sold by virtue of s123 of the Local Government Act 1972. The disposal of the Longville Road site will require a surplus declaration which is currently being sought. The Strategic Director of Regeneration considers the price to represent the best consideration reasonably obtainable.

Resource Implications

12. The proposed disposal of these two sites will produce a significant capital receipt within the financial year 2003/2004.
13. Under current capital controls 100% of the capital receipts arising from this disposal can be used to fund future capital projects.
14. It is anticipated that the disposals will result in a saving in revenue management costs.
15. The purchaser is also to pay a contribution towards the Council's legal and surveyors fees.

Consultation

16. The sale of the subject property is a straightforward sale of 2 vacant properties, one of which is a derelict building and the other a vacant site. It is considered that this is uncontroversial and therefore that no consultation has been undertaken in relation to the actual disposal.
17. The proposals contained within this report are subject to planning consents being obtained and hence will be subject to the usual period of statutory consultation.

18. In relation to the Elephant and Castle development the scheme is seen as having the potential to secure an early development that adopts the design and quality principles that will be contained in the Comprehensive Development Framework. A working arrangement has already been established between the Council's project team and the purchaser's professional team which will continue throughout the development.

Legal Implications

19. Legal Implications are contained in the report included within the closed agenda to this meeting of the Executive

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Property Division / Elephant and Castle File	Elephant and Castle Project Team, Coburg House, 63-67 Newington Causeway, London SE1 6BD	Paul Scaplehorn 020 7525 4909

APPENDIX A

Audit Trail

Lead Officer	Paul Evans – Strategic Director Regeneration	
Report Authors	Chris Horn – Head of Regeneration and Strategy (Elephant and Castle Project Team) Paul Scaplehorn – Elephant and Castle Project Team	
Version	Final	
Dated	16 th July 2003	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Borough Solicitor & Secretary	Yes	In Closed Report
Chief Finance Officer	Yes	Yes
Executive Member	Yes	No
Date final report sent to Constitutional Support Services	21 st July 2003	

APPENDIX B

LOCATION PLAN