

Item No. 20.	Classification: Open	Date: 19 July 2011	Meeting Name: Cabinet
Report title:		Disposal of 9 Blenheim Grove London SE15	
Ward(s) or groups affected:		The Lane	
Cabinet Member:		Councillor Richard Livingstone, Finance, Resources and Community Safety	

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

This report asks the Cabinet to approve the sale of the freehold of 9 Blenheim Grove in central Peckham. This property was previously used by the council as office space, but has not been used for this purpose since last year. The Executive agreed to the disposal of this building in May 2007. As the property was acquired through the Housing Revenue Account, this sale will contribute towards the funding for the council's Housing Improvement Programme. The sale will also help the council reduce its maintenance and facilities costs associated with the property and contribute towards the council's carbon reduction commitment.

Sale of the site will enable improvement to this attractive building that will contribute to the improvements being made in the area.

RECOMMENDATIONS

That Cabinet is recommended to approve:

1. That 9 Blenheim Grove, London SE15 ("the property"), as shown edged red on the attached plan, be offered and sold freehold on terms set out in the closed agenda report .

BACKGROUND INFORMATION

2. On 2 May 2007, the former Executive approved the acquisition of 160 Tooley Street SE1 as a new administrative base for the council. This was supported by a business plan which envisaged the disposal of smaller office buildings around the borough. 9 Blenheim Grove was identified for disposal as part of this plan subject to operational needs which have now ceased.
3. 9 Blenheim Grove was acquired by the council in 2002 for use as offices. It is an early Victorian villa, Grade II listed for architectural interest, very near Peckham Rye Station within the Holly Grove conservation area.
4. The property ceased office use earlier in 2010 and was decommissioned for sale. It was declared surplus in June 2010 by the Strategic director of Regeneration and Neighbourhoods.

5. The Head of Property originally valued the property in July 2010 and recommended sale by informal tender or by auction, with the most likely use being a residential conversion.
6. The council considered the direct letting and sale of the property to a community organisation in autumn 2010 but this did not proceed and the property was offered for sale on the open market.
7. The property was put on the open market by agents acting for the council in January 2011. Between January and April 2011 the property was advertised in national property publications and on the Internet and details were publicised to known potential interested parties. A series of viewings took place and offers were invited by way of an informal tender. The result and offers received are set out in a report on the closed agenda for reasons of commercial confidentiality.
8. The agents have been asked to confirm that the purchaser has not purchased another property from the council in the current financial year in order to comply with the requirements of the General Housing Consents and this confirmation has been obtained from the purchaser.
9. The property was acquired using Housing Revenue Account funds for use as office accommodation for the housing department.

KEY ISSUES FOR CONSIDERATION

Policy implications

10. The proposal to dispose of 9 Blenheim Grove is in line with the strategy of modernising council working practices by reducing the number of satellite offices across the borough. Bringing together staff at 160 Tooley Street 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.
11. The proposal will help to meet the council's commitment to carbon reduction through replacement of outdated energy-hungry accommodation with modern office space.

Community impact statement

12. The community impact of proposals to centralise administrative offices has been dealt with in the previous report to Executive (2 May 2007).

Resource implications

13. This proposal will generate a capital receipt in the financial year 2011/12.
14. The purchaser will contribute to the council's legal and surveying fees.
15. The disposal of this property will release revenue currently put towards its maintenance and security, the costs of which have latterly been borne by the property division.

Consultation

16. Rationalisation of the office portfolio was subject to consultation at the time of the May 2007 report and included therein.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director for Communities, Law & Governance

17. As the property falls within the council's Housing Portfolio, the disposal can only proceed in accordance with Section 32 of the Housing Act 1985, for which purposes the consent of the Secretary of State for the Department of Communities and Local Government is required.
18. A number of general consents have been issued in the General Housing Consents 2005.
19. Consent A 5.1.1 states that "a local authority may, subject to the provisions of this consent, dispose of one vacant house or vacant flat or vacant converted house to any individual for a consideration equal to its market value, provided that the purchaser (alone or with others) has not, under the consent in this paragraph A5.1.1 acquired another dwelling house from the authority previously in the same financial year.
20. The closed report confirms that the consideration to be paid for the property represents market value.
21. Paragraph 10 of this report confirms that the purchaser has not purchased another dwelling house from the council in this financial year.
22. Paragraph 6 of this report confirms that a surplus declaration has been obtained.
23. If the Cabinet is satisfied that the requirements of General Consent A5.1.1 are fulfilled and that the transaction represents value for money they may proceed with approval of the recommendation.

Finance Director

24. This report recommends the disposal of council property at 9 Blenheim Grove, London SE15.
25. The closed report confirms that the Head of Property believes that the terms set out in the closed report represent the best consideration that can be achieved at this time.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Executive report, 2 May 2007	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, Cabinet Member for Finance, Resources and Community Safety	
Lead Officer	Eleanor Kelly, Deputy Chief Executive	
Report Author	Jessie Lea, Graduate Surveyor	
Version	Final	
Dated	7 July 2001	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director for Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional/Community Council/Scrutiny Team	7 July 2011	