

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 9 August 2011	<b>Decision Taker:</b> Deputy Leader
<b>Report title:</b>		Disposal of 9 Blenheim Grove, London SE15	
<b>Ward(s) or groups affected:</b>		The Lane	
<b>From:</b>		Deputy Chief Executive	

## RECOMMENDATION

That the Deputy Leader is recommended to approve:

1. That 9 Blenheim Grove, London SE15 (“the property”), as shown shaded with a bold edge on the attached plan, be offered and sold freehold on terms set out in the closed agenda report .

## BACKGROUND INFORMATION

2. This report was previously considered by Cabinet at their meeting of 19 July 2011. At that meeting, it was resolved that this item be referred to the Leader of the Council for the formal decision. A notice of variation to the executive scheme of delegation was submitted to the monitoring officer by the Deputy Leader on 5 Aug 2011, which allows this decision to be taken by the Deputy Leader. This notice was circulated to all councillors on 5 Aug 2011.
3. 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.
4. 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.
5. 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.
6. 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.
7. 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.
8. 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.

9. 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.
10. The property was acquired using Housing Revenue Account funds for use as office accommodation for the housing department.

## **KEY ISSUES FOR CONSIDERATION**

### **Policy implications**

11. 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.
12. The proposal will help to meet the council's commitment to carbon reduction through replacement of outdated energy-hungry accommodation with modern office space.

### **Finance implications**

13. Following discussions at Cabinet on 19 July 2011, officers have further considered the valuation of the property. Internal discussions have taken place and officers can confirm the terms, as set out in the closed report, represent best value for the council.

### **Community impact statement**

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

### **Resource implications**

15. This proposal will generate a capital receipt in the financial year 2011/12.
16. The purchaser will contribute to the council's legal and surveying fees.
17. 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**

18. 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 of Communities, Law & Governance

19. 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.
20. A number of general consents have been issued in the General Housing Consents 2005.
21. 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.
22. The closed report confirms that the consideration to be paid for the property represents market value.
23. Paragraph 9 of this report confirms that the purchaser has not purchased another dwelling house from the council in this financial year.
24. Paragraph 5 of this report confirms that a surplus declaration has been obtained.
25. If the Deputy Leader 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

26. This report recommends the disposal of council property at 9 Blenheim Grove, London SE15.
27. Paragraph 13 confirms that the terms of sale 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
Cabinet Minutes, 19 July 2011	<a href="http://moderngov.southwarksites.com/mqConvert2PDF.aspx?ID=3814&amp;T=1">http://moderngov.southwarksites.com/mqConvert2PDF.aspx?ID=3814&amp;T=1</a>	Constitutional Team

**APPENDICES**

No.	Title
Appendix 1	Plan

**AUDIT TRAIL**

<b>Lead Officer</b>	Eleanor Kelly, Deputy Chief Executive	
<b>Report Author</b>	Jessie Lea, Graduate Surveyor	
<b>Version</b>	Final	
<b>Dated</b>	9 Aug 2011	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director for Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		9 Aug 2011