

Item No. 15.	Classification: Open	Date: 20 March 2012	Meeting Name: Cabinet
Report title:		Bowley Close, Crystal Palace, SE19 – Freehold Property Transfer to LBS from PCT	
Ward(s) or groups affected:		College and Borough wide	
Cabinet Members		Councillor Richard Livingstone, Finance, Resources and Community Safety and Councillor Dora Dixon-Fyle, Health and Adult Social Care	

FOREWORD – COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY & COUNCILLOR DORA DIXON-FYLE, CABINET MEMBER FOR HEALTH AND ADULT SOCIAL CARE

This report proposes the acquisition of the freehold interest in a small residential care home for people with complex learning disabilities at Bowley Close, SE19 from Southwark Primary Care Trust (PCT). This transfer at nil cost results from government's decision in 2009 to give local authorities greater responsibility for services for people with learning disabilities.

The property comprises four flats, four bungalows, a two storey house and a large retaining wall and embankment along Crystal Palace Parade. Liabilities relating to this wall and embankment transfer to the council along with the asset. The transfer will take place through a grant from the PCT to effect the purchase of the freehold, together with revenue to address the liabilities relating to the wall and embankment. The leasehold for this property is held by Hyde Housing Association and this lease will remain in place with the transfer.

This transfer is a positive way of increasing the independence of people with learning disabilities; providing them with the housing options which are available to other members of the community, coupled with more control over their finances through personal budgets. The choice to choose where they live and have their own tenancies will afford the residents with more stable lives, in keeping with our vision for adult social care.

RECOMMENDATIONS

That the cabinet

1. Approves the acquisition of the freehold interest in a small residential care home complex at Bowley Close, London, SE19 1SZ (see the plans at Appendix 1) from Southwark Primary Care Trust (PCT)
2. Delegates the agreement of the detailed terms of the transaction to the head of property.

BACKGROUND INFORMATION

3. This paper concerns a government-required transfer of residential care property assets from the Southwark PCT estate to Southwark Council, at nil cost. (The acquisition will be at market value, as determined by the District Valuer, but funded by the payment of a grant from the Department of Health (DoH) for the total value).
4. In 2008, the government revised its policy on commissioning and funding Social Care for People with Learning Disabilities. This strategy saw the council taking responsibility for services previously part-funded by the NHS. In June 2009, the Department of Health (DoH) stated that “(fixed) assets used by NHS organisations for providing learning disability services which are covered in the revenue transfer are also transferred as part of this programme”.
5. The DoH also indicated that the PCT should take legal charges on the properties transferred – allowing the PCT a continued say in the use of former NHS property, and introducing some controls over any subsequent disposal.

Bowley Close (“The property”)

6. The property comprises a residential care home development of 9 units, constructed in the late 1980s on a plot of land situated very close to Crystal Palace. The units comprise four flats, four bungalows and a two storey house. (The care home, with a land area of approx. 0.366 hectares (0.9 acres), is indicated in green shading on the site plan at Appendix 1).

Inclusion of retaining wall

7. Included with the property is a strip of land, comprising a large retaining wall and tree-planted embankment, approx. 300m in length, which supports the (approx. 10m higher) elevated Crystal Palace Parade roadway. (This is marked in blue shading on the appended site plan).
8. The structural integrity of the wall has been confirmed, following remedial works done at the PCT's expense, and an annual budget for future maintenance of the wall, structure insurance, and maintenance of the tree-planted embankment will be provided by health & community services to public realm.

Existing lease

9. The property is currently subject to a lease to Hyde Housing Association (which provides the property management part of the care package), the main terms of which are listed at Appendix 2 of the closed report. The lease will remain in place, following the council's acquisition of the property.

KEY ISSUES FOR CONSIDERATION

10. The acquisition of the property is seen as a benefit to the council, in supplying capital assets for the provision of care to this client group.

11. There are risks to the council, arising mainly from the inclusion of the retaining wall and the necessity to maintain this in perpetuity. There is no reason to think that any major work will be needed in the future, merely a cyclical maintenance plan. However, to minimise that risk, insurance cover will be taken out. The public realm division has agreed to take responsibility for the retaining wall and embankment part of the property, following the acquisition. It will remain in the freehold ownership and management of the council, leaving the care home site unencumbered/ unaffected.
12. The head of property considers that this transaction provides assets to support changing responsibilities, at no cost to the council – and, in view of the government directive, considers that the matter should proceed.

Financial implications

13. This transfer of capital from Southwark PCT to the council takes effect at market value via a PCT grant mechanism. The grant to purchase 1-6 Bowley Close has been authorised by the Department of Health and will be drawn down by the PCT prior to transfer.
14. On government suggestion, Southwark PCT should request a legal charge on the property. The function of a charge is to give the PCT a continued say in the use of what was NHS property and, importantly, to ensure that it cannot be disposed of subsequently without NHS consent. The PCT, in discussion with the council, will agree the content and structure of the legal charge.

Policy implications

15. The proposed acquisition of the property arises from national policy contained in the White Paper refresh document 'Valuing People Now' (2009). Among other things, this document seeks to clarify health and social care responsibilities, pertaining to people with learning disabilities, between local authorities and the National Health Service. This clarification extended to health authority capital assets being used to deliver social care having to transfer to local authorities.

Community impact statement

16. The acquisition of the property will assist financially in the provision of accommodation for the client group.

Resource implications

17. The management of the property will be contained within existing resources. The commissioning work required to modernise these services is already identified within the health & community services business plans.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

18. Cabinet is recommended to approve the acquisition of the freehold interest in the property of which the market value has been determined by the District Valuer, from Southwark PCT, at a nil consideration.

19. Cabinet is advised that the council has power under Section 120 of the Local Government Act 1972 (“the 1972 Act”) to acquire by agreement any land, whether situated inside or outside their area for the purposes of (a) any of their functions under the 1972 Act or any other act , or (b) the benefit, improvement or development of their area. The council also has powers under subsection (2) of the 1972 Act to acquire by agreement any land for any purpose for which they are authorised by the 1972 Act or any other act to acquire land, even if the land is not immediately required for that purpose; and until it is required for the purpose for which it was acquired, any land acquired under this subsection may be used for the purpose of any of the council’s functions.
20. This decision is reserved to cabinet under Part 3C, paragraph 15 of the council’s constitution.

Finance Director (NR/F&R/27/2/12)

21. This report recommends that the cabinet approves the acquisition of the freehold interest in a small residential care home complex at Bowley Close, London, SE19 1SZ from Southwark Primary Care Trust (PCT) and delegates the agreement of the detailed terms of the transaction to the head of property.
22. The finance director notes the financial implications contained within the report, the conditional nature of the grant and the need for the council to work closely with the PCT in terms of the future use of the property.
23. Financial and legal officer input will be needed to ensure the transfer is correctly undertaken and officer time required to undertake the transfer will be resourced through existing budget allocations.

Strategic Director of Health & Community Services

24. Health & community services welcomes the transfer of this property from Southwark PCT. The acquisition of the property creates an opportunity to significantly improve the ordinary housing options available for people with learning disabilities living in Southwark. This accords with the council’s Learning Disability Accommodation Strategy 2009 -2013 – A Good Place to Live.
25. This strategy seeks to reduce our reliance on residential care, which is expensive and institutional, by replacing it with more ordinary housing options for people with learning disabilities. These options range from home ownership to various forms of renting in the public or private sector.
26. When linked with personalised support, funded from a personal budget, these ordinary living options promote social inclusion by allowing people with learning disabilities to live in communities of their choice and to have control over how they are supported to live their lives in ways they choose.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Electronic files held on council's servers	Property Division, 160 Tooley Street, London SE1 2QH	John O'Kelly 020 7525 5637
A Good Place to Live – Southwark Learning Disability Accommodation Strategy 2009- 2013	Health & Community Services, 160 Tooley Street, London SE1 2QH	Chris Dorey 020 7525 3679

APPENDICES

No.	Title
Appendix 1a	Site/ Property Plan
Appendix 1b	Location Plan

AUDIT TRAIL

Cabinet Members	Councillor Richard Livingstone, Finance, Resources and Community Safety and Councillor Dora Dixon-Fyle, Health and Adult Social Care	
Lead Officer	Eleanor Kelly, Deputy Chief Executive	
Report Author	John O'Kelly, Senior Surveyor	
Version	Final	
Dated	9 March 2012	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Strategic Director of Health and Community Services	Yes	Yes
Cabinet Members	Yes	Yes
Date final report sent to Constitutional Team		9 March 2012