

Item No.	Classification: Open	Date: 26 February 2013	Decision Taker: Cabinet Member for Finance, Resources and Community Safety
Report title:		Updated arrangements for disposal of former Town Hall, Peckham Road, London SE5 8UB	
Ward(s) or groups affected:		Brunswick Park	
From:		Chief Executive	

RECOMMENDATION(S)

That the cabinet member for finance, resources and community safety

1. Approves the former town Hall, Peckham Road SE5 8UB as shown edged black on the attached plan ("the Property") to be disposed of to Alumno Developments (Camberwell) Limited as per the cabinet report dated 13 December 2011 subject to changes set out in a closed agenda report.
2. Notes that the terms otherwise remain as previously approved by cabinet subject to any further negotiations considered necessary by the head of property.

BACKGROUND INFORMATION

3. Cabinet on 13 December 2011 agreed to dispose of the Property to the University of Arts London (UAL) by way of a long lease to its development partners Alumno. It was envisaged at the time that there would be a direct relationship between UAL and Alumno for this purpose and that relationship was confirmed in writing by the then Dean of Camberwell College.
4. For reasons set out in a closed agenda report it is now proposed to grant a long lease to Alumno but without a contractual link between them and UAL. The Property will now be run as independent student lettings with ancillary facilities proposed including affordable studio space and improved facilities for Theatre Peckham.
5. It is likely given the location of the building that demand for accommodation would come from students of UAL at Camberwell College.
6. Disposal to Alumno would increase the choice of providers and facilitate an increased variety of accommodation in the area while still contributing to the campus plan that was envisaged. The University seeks to provide affordable student rents and any other provider would need to compete in order for their development to be sustainable.
7. Theatre Peckham occupies a building to the rear of the former Town Hall rented from the council. It was intended that disposal of the Property would not affect their operations but the chance has now arisen to provide new ancillary facilities

for the Theatre in the development proposed by Alumno.

KEY ISSUES FOR CONSIDERATION

8. The principal change from the earlier proposal is that the development would now be an independent one rather than having a contractual link between Alumno and UAL.
9. Demand for student housing in the converted buildings adjacent to the Property has been strong and indicates good potential for any additional accommodation close by. The position overall indicates that student-related development is an initiative that should be taken forward while interest continues.
10. Options for disposal of the Property are:
 - i. Continue with Alumno for a stand-alone scheme
 - ii. Await possible interest from UAL directly or with an alternative development partner
 - iii. Market the building for an alternative use
 - iv. Seek short term uses pending a future decision.
11. Any options for permanent use other than student accommodation would take longer to bring forward with no identified financial benefit and mean the loss of the opportunity to contribute to a campus in the immediate area.
12. An earlier cabinet report on 23 November 2010 noted the possibility of granting a long lease to a public sector partner (UAL). This remains a possibility should the transaction with Alumno not proceed for any reason, subject to UAL confirming a requirement. It is felt that disposal to Alumno is appropriate as the swiftest means of achieving full use of the building.
13. The November 2010 cabinet report said the Property could be openly marketed should the deal with UAL not be possible. It is now recommended that open marketing not take place at this stage given the likely demand and issues identified in paragraph 11 above, although it remains an option should the deal with Alumno not proceed for any reason.
14. The terms of the disposal to Alumno continue to meet our requirements to achieve best consideration.
15. This is therefore consistent with the cabinet authority of 13 December 2011 except as detailed in this report. It is necessary to bring forward the sale and re-use of the building that we make this change.
16. The transaction will continue to be conditional on planning consent but given the work already carried out by Alumno it is hoped that a full application can be made swiftly and resolved satisfactorily.
17. The facilities that are proposed for Theatre Peckham will enable this long-standing community group to provide further improved cultural activities for young people in the area, once planning and contractual stages are resolved.
18. It was previously intended to provide a small amount of space in the Property for gallery, office, meeting and/or library space with UAL having first call on this accommodation but possibly including sessional public use. The facilities

proposed for Theatre Peckham and as affordable studio/business premises would supplant this space and are likely to be larger overall, subject to detailed arrangements.

Policy implications

19. Policy implications were considered in detail in the report to cabinet in December 2011 and no further positive or negative issues have been identified although the recommendation will help to bring about the successful disposal of the Property.

Community impact statement

20. The community impact of disposal of the former Town Hall was considered in detail in the report to cabinet in December 2011 and on previous occasions. Provision of improved facilities for Theatre Peckham will benefit its many users in the immediate locality. No other issues have been identified although it is appropriate to note the successful transfer of council assembly to other, more accessible venues such as Walworth Academy.

Resource implications

21. Approval of these recommendations will lead to the earliest possible capital receipt for the sale of the Property and the smallest ongoing expenditure on running costs.

Consultation

22. Consultation took place in relation to proposals to move council assembly. Further consultation will be carried out as part of the normal planning application process.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

23. Section 123 of the Local Government Act 1972 states that except with the consent of the Secretary of State, a council shall not dispose of land under that section, otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained.
24. Paragraph 14 of the closed report indicates that the consideration to be paid for a long lease of the Property is the best that can reasonably be obtained and therefore the council has met its statutory obligation under section 123 of the Local Government Act 1972.

Strategic Director of Finance and Corporate Services

25. The strategic director of finance and corporate services notes the recommendation to dispose of the former town Hall, Peckham Road SE5 8UB to Alumno Developments (Camberwell) Limited.
26. It is also noted that the property has been independently appraised and the agreed disposal price and further contributions by Alumno towards costs represents best consideration in the current market.

27. The corporate capital receipts schedule will be updated to reflect the expected addition to capital receipts.
28. The strategic director also notes the disposal of the property will save the council from current ongoing maintenance costs.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Report to Cabinet 13 December 2011	http://moderngov.southwark.gov.uk/documents/s24712/Report%20Disposal%20of%20Long%20Lease%20of%20Southwark%20Town%20Hall.pdf	Chris Rhodes, Principal Surveyor 020 7525 5480
Report to Cabinet 23 November 2010	http://moderngov.southwark.gov.uk/documents/s14158/Revised%20Office%20Accommodation%20Strategy%20-%20Report.pdf	Chris Rhodes, Principal Surveyor 020 7525 5480

APPENDICES

No.	Title
Appendix 1	Plan

AUDIT TRAIL

Lead Officer	Eleanor Kelly, Chief Executive	
Report Author	Christopher Rhodes, Principal Surveyor	
Version	Final Open	
Dated	21 February 2013	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Cabinet Member	Yes	No
Date final report sent to Constitutional Team		21 February 2013