

Item No. 19.	Classification: Open	Date: 26 June 2013	Meeting Name: Cabinet
Report title:		Colechurch House, SE1	
Ward(s) or groups affected:		Riverside	
Cabinet Member:		Councillor Richard Livingstone, Finance, Resources and Community Safety	

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

This report recommends that the council works in partnership with the Bridge House Estates to dispose of the land it owns along Duke Street Hill adjacent to Colechurch House. Doing so will enable a larger development on the site of Colechurch House whilst generating a sizable capital receipt for the council, to be invested in improving facilities for local residents. In addition, the new development made possible by this decision will contribute Community Infrastructure Levy (CIL) and S106 to improve the local environment.

The disposal of the land will not hinder pedestrian use of the space, as a development is likely to retain this thoroughfare through a colonnaded area whilst building over it.

RECOMMENDATION

1. That the cabinet authorises the head of property to agree and where appropriate vary the terms of the Heads of Terms and agreement regarding the joint disposal of the sites at Duke Street Hill and Tooley Street SE1 in accordance with the terms set out in the closed cabinet report.

BACKGROUND INFORMATION

2. The council holds land in Duke Street Hill SE1 that adjoins a site owned by the Bridge House Estates (Corporation of London) currently occupied by Colechurch House, a 1970's office building.
3. The Bridge House Estates site can be redeveloped in isolation or can be refurbished but this would not be straightforward nor would it provide particularly attractive or valuable floor space. However, with the adjoining land held by the council the potential size of the building and floor plates would make the re-development worthwhile. (Both sites are shown on the attached plan at Appendix 1).
4. It is proposed that the council and Bridge House Estates (Corporation of London) jointly offer both areas of land to the market for the purposes of a commercial office development. It is likely that any receipt would be in excess of the authorisation limit for disposals for the head of property.
5. The council land is open space with seating and it is anticipated that development would be over this space, possibly providing a two storey colonnade under the new offices. The land is currently held as public realm land

and is within the council's General Fund for property holdings.

6. The selected bidder would then enter into a sale agreement conditional upon planning and make an application for development of the site. If successful the land can then be sold, provided that the head of property has been able to confirm to cabinet that best consideration has been obtained.

Policy implications

7. The disposal of this site could generate a capital receipt that can be used by the council to further its key strategic objectives.

Community impact statement

8. The impact of the proposed development on the local community will be that a tired, inefficient office block is redeveloped to provide a larger office building, creating more employment opportunities and a capital receipt to spend upon council priorities.
9. It is likely that any development proposal would construct a two storey colonnade over the councils land under the office building so that its use by the public could continue.
10. A new development will contribute substantially by way of S106 contributions or CIL to mitigate any affects of the development [and create additional affordable housing]
11. There are no direct negative implications of the report's recommendations on the council's Managing Diversity and Equal Opportunities Policy.

Consultation

12. There will be extensive consultation through the planning process with local people and stakeholders on any proposed development of the sites.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

13. Section 1 of the Localism Act 2011 grants councils a general power of competence whereby a local authority has power to do anything that individuals generally may do. However, that power does not enable a local authority to do anything which it is unable to do by virtue of a pre-commencement limitation. Section 123 of the Local Government Act 1972 is a pre-commencement statute which imposes limitations on the council's power of disposal.
14. 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.
15. The report indicates in paragraphs 17 and 22 of the closed report that the consideration proposed is the best that can reasonably be obtained.

16. The report also indicates in paragraph 5 that the land consists of open space. Section 123(2A) of the Local Government Act 1972 requires a council proposing to dispose of any land consisting or forming part of an open space to advertise notice of their intention to do so, specifying the land in question, in a newspaper circulating in the area in which the land is situated for 2 consecutive weeks and consider any objections to the proposed disposal which may be made to them. It will be necessary to do this prior to any disposal and this should form part of the disposal process
17. If the cabinet are satisfied that the disposal is for the best consideration that can reasonably be obtained it may proceed with approval of the recommendation.

Strategic Director of Finance and Corporate Services (FC13/032)

18. The strategic director of finance and corporate services notes the contents of this report. Any capital receipt generated would be reported and used to meet key council objectives.
19. The costs of officer time within the council's property and legal services will be met from existing council resources within property services.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No	Title
Appendix 1	Site Plan

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Finance, Resources and Community Safety	
Lead Officer	Eleanor Kelly, Chief Executive	
Report Author	Marcus Mayne, Principal Surveyor	
Version	Final	
Dated	13 June 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	Yes
Date final report sent to Constitutional Team	13 June 2013	