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| Item No. 11. | Classification: Open | Date: 24 January 2017 | Meeting Name: Cabinet |
| Report title: | | 48 Willowbrook Road, SE15 (formerly known as the Willowbrook Centre) – Disposal of Freehold Interest | |
| Ward(s) or groups affected: | | Livesey | |
| Cabinet Member: | | Councillor Fiona Colley, Finance, Modernisation and Performance | |

FOREWORD - COUNCILLOR FIONA COLLEY CABINET MEMBER FOR FINANCE, MODERNISATION AND PERFORMANCE.

This report proposes the sale of the council's freehold interest in 48 Willowbrook Road London SE15. The property is currently empty and at risk of deterioration. The council has no operational need for the building which is in need of substantial investment and modernisation.

It is therefore recommended that we dispose of the premises. The proceeds will help fund our general fund capital programme of projects such as Warm, Dry and Safe Schools, top quality playgrounds, transport improvements and park, library and leisure centre upgrades.

RECOMMENDATIONS

That the cabinet authorises:

1. The Head of Property to dispose of the council's freehold interest in 48 Willowbrook Road, SE15, (the "Property"), either by auction or by an alternative method of sale for a sum that equates to its market value.
2. The earmarking of the capital receipt for the purposes of funding the capital programme.

BACKGROUND

3. The property comprises an attractive Regency style grade II listed detached house with associated out-buildings. The property is laid out over three floors and was extended in the mid 1980's at ground floor level to provide improved access as well as additional space and facilities. The accommodation comprises a number of small and medium sized meeting rooms together with ancillary offices and kitchen.
4. The property is identified in bold outline on the attached Ordnance Survey extract at Appendix 1.
5. The property was first acquired by the council on the 23 August 1976 as part of the Colegrove Road (No2) Compulsory Purchase Order 1973.
6. It was initially acquired for housing purposes but was appropriated to the general fund by the planning committee in October 1983 for use as an urban studies and community centre.
7. The Willowbrook Urban Studies Centre and later the Willowbrook Centre leased and occupied the property until 2011. Direct grant funding from the council ceased and the

property became vacant.

8. The property was then leased to the Peckham Voluntary Sector Forum for two years from February 2012. The property was taken back by the council after the non payment of rent.
9. The property was until recently subject to a tenancy at will for the outbuildings which adjoin the house. A number of horses were stabled there. This was terminated in December due to the non payment of rent.
10. The property is currently occupied by guardians who are protecting the asset from illegal trespass.
11. The property is held in the council's property holding account (CPHA).
12. Authority to sell is delegated to the head of property in individual cases where the sale price is below £750,000. The sale price of the property will exceed this limit and cabinet approval is therefore required.
13. The configuration of the accommodation at the property together with its listed status does not make this property suitable for continued community use. It is not currently Disability Disabled Act (DDA) compliant and it would be prohibitively expensive to make it so.
14. Due to the age of the building as well as the length of time that the property has been vacant it is likely that there are a number of other compliance issues as well as ongoing costly maintenance which need addressing if the property were to be retained by the council.

KEY ISSUES FOR CONSIDERATION

15. In accordance with the principles and policy of good asset management laid down by government, together with local authority regulations, councils are required to dispose of surplus property assets subject to best consideration and/or market value requirements. The sale of the property will comply with these requirements.
16. It is considered that due to the unique nature of this property, together with its current planning designation, that a sale by auction to be the most appropriate method of sale in this instance. The auction route is also quick and transparent. Prior to the auction a suitable reserve price representing market value will be agreed by the head of property in consultation with the auctioneer. A sale will only proceed if the reserve price is met or exceeded.
17. The sale of the property to owner occupiers, developers and/or investors should ensure that it is quickly brought back into beneficial use. Any prospective purchaser is likely to seek a change of use back to residential. However other uses are also possible subject to permission being granted.
18. This report recommends that the receipt from the sale of the property be earmarked for the capital programme.
19. The head of property has declared this property asset surplus to the council's operational requirements.

Policy implications

20. The disposal of the property will generate a substantial capital receipt, which will be used to provide capital funding in support of the council's key priorities.
21. In recommending this disposal regard has been made of the council's recently adopted asset management plan for the commercial property estate.

Community impact statement

22. The potential impact, on the community, of the proposed sale of this currently unused property has been taken into account. This includes people identified as having protected characteristics. No specific equality implications have been identified. The reuse of the capital raised from the sale however will assist with the delivery of the council's corporate objectives, achieving its stated budget principles and working together with communities towards a 'fairer future for all'.
23. As this individual property sale is considered to be non-contentious, consultation is thought not to be appropriate.
24. Any future planning application seeking to redevelop or change the use of any part of the property will have to conform to the requirements of the local development framework and will be subject to the statutory consultation process.

Resource implications

25. This report recommends the disposal of the property on the open market for a sum that equates to the market value of the property. The property has been declared surplus to the council's requirements.
26. There will be a loss of rental income associated with a tenancy at will in the sum of £2,000 per annum. There are no current recurring costs.
27. Disposals expenditure would include reasonable incidental management and legal charges which would be reimbursed from receipts, as well as sales and marketing costs as a percentage of the value of the receipt which is standard.
28. There are no other risks or costs involved.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

29. This report seeks authority for the sale of the freehold property at 48, Willowbrook Road, London SE15 as it is anticipated that the sale proceeds will be well in excess of £750,000 and therefore will exceed the maximum figure where an authority to sell can be given by the Head of Property. Cabinet approval is therefore necessary.
30. The property was appropriated to the general fund in 1983 and it was most recently leased to the Peckham Voluntary Sector Forum. It is now vacant as confirmed in paragraph 10 of this report.
31. The method of sale will comply with the requirement to obtain best consideration as explained in paragraph 15. The disposal will therefore satisfy the requirement contained

in section 123, Local Government Act 1972. The council is therefore empowered to dispose of the site in accordance with the general power of competence contained within section 1, Localism Act 2011 which allows a local authority to do anything that individuals are able to do unless restricted by a separate piece of legislation.

Strategic Director of Finance and Governance

32. This report is requesting cabinet to authorise the head of property to dispose of the council's freehold interest in 48 Willowbrook Road SE15, (the "Property"), either by auction or by an alternative method of sale for a sum that equates to its market value.
33. The Strategic Director of Finance and Governance notes that the property has been declared surplus and the capital receipts generated from the disposal will be recycled into the council's capital programme in funding council priorities.
34. The financial implication section explains that the loss of rental income of £2k from the disposal will be incorporated into the council's budget process. The report also states that all disposals related expenditure will be reimbursed from the capital receipts.
35. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

BACKGROUND DOCUMENTS

| Background Papers | Held At | Contact |
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| None. | | |

APPENDICES

| No. | Title |
|------------|--|
| Appendix 1 | OS plans, 48 Willowbrook Road - highlighted in bold |

AUDIT TRAIL

| | | |
|---|---|--------------------------|
| Cabinet Member | Councillor Fiona Colley, Finance, Modernisation and Performance | |
| Lead Officer | Eleanor Kelly, Chief Executive | |
| Report Author | Paul Davies, Principal Surveyor | |
| Version | Final | |
| Dated | 12 January 2017 | |
| Key Decision? | Yes | |
| CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER | | |
| Officer Title | Comments sought | Comments included |
| Director of Law and Democracy | Yes | Yes |
| Strategic Director of Finance and Governance | Yes | Yes |
| Cabinet Member | Yes | Yes |
| Date final report sent to Constitutional Team | 12 January 2017 | |