

MUNICIPAL YEAR 2016/2017 REPORT NO. 173

MEETING TITLE AND DATE:
Cabinet 18th January 2017

Report of:

Director of Finance, Resources
and Customer Services

Contact officer:

Mohammed Lais Tel: 020 8379 4004

mohammed.lais@enfield.gov.uk

Agenda Part: 1	Item 6
----------------	--------

**TRANCHE 8- ASSET MANAGEMENT –
POTENTIAL DISPOSAL OF COUNCIL
OWNED PROPERTIES**

WARDS: Various

KD No: 4448

Cabinet Members consulted:
Councillor Lemonides

1. EXECUTIVE SUMMARY

1.1 This report seeks approval in principle to the sale of various Council properties listed in the Appendix to the report, which are considered in the Council's overall best interests to sell, subject to satisfactory further evaluation and consultation, in order to assist in funding capital spending.

2. RECOMMENDATION

That Cabinet is recommended;

2.1 That approval is given in principle to the disposal of those properties listed in the Appendix.

2.2 To delegate the method of sale and the approval of provisionally agreed terms of sale to the Cabinet Member for Finance and Efficiency in consultation with the Director of Finance, Resources and Customer Services.

3. BACKGROUND

3.1 This is the eighth in a series of reports to Cabinet since December 2010. The general principles for consideration of retention/re-use or disposal of property have been set out in previous reports.

3.2 The consideration of the properties put forward in this report has been approved by relevant Cabinet Members, Service Directors and the Corporate Asset Management Group.

3.3 More specific criteria to reach a final decision to sell now include;

- Consultation with Ward Members
 - Consultation with affected users if appropriate
 - Cash flow analysis of the worth of current or proposed rental income compared to a potential capital receipt if appropriate.
- 3.4 A report to Cabinet on the 21st October 2015 under KD4189 titled Future options for improvements to Enfield's Nursing and Residential Dementia Care services highlighted the disposal of a number of care homes subject to consultation with residents.
- 3.5 A new care home, on the former Elizabeth House site, is due to reach practical completion at the end of January 2017 and it is anticipated that the service will be operational in spring 2017. Residents of Bridge House and Coppice Wood Lodge will be moving to the new provision and both care homes will be decommissioned and sites vacant following this.
- 3.6 Honeysuckle House closed in December 2016, following a decision by Care UK to end the service, and this site is also currently vacant.
- 3.7 The William Preye Centre is considered to be surplus to the Council's requirements moving forward as day care services have been relocated to the Rose Taylor Day Centre and the centre requires significant capital investment. The Parker Centre, let to AGE UK will continue as an operational building.
- 3.8 The Director of Adult Social Care has confirmed that these sites will no longer be required for the provision of care or support services.

4. PROPOSAL

Properties recommended for potential disposal are listed in the Appendix.

5. ALTERNATIVE OPTIONS CONSIDERED

Retention of property without regular review is clearly not in the Council's business interests. If property is not disposed of, it would cause a reduction in capital spending or increased borrowing. However evaluation of individual cases may result in retention being the better option.

6. REASONS FOR RECOMMENDATIONS

Potential disposal of the properties is recommended as being in the Council's best financial interests balanced against service and community needs.

7. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

7.1 Financial Implications

- 7.1.1 The appendix to the report contains a list of potential disposals. Each disposal will be evaluated to determine whether the disposal offers value for money.
- 7.1.2 The proceeds from disposals will be one off and used to fund the existing capital or transformation programmes. The alternative method for funding the programme would be to borrow and the current cost of borrowing is estimated at 7.5% pa including interest and MRP.
- 7.1.3 Eligible costs associated with disposals can be offset against the receipt up to a maximum of 4% of the sale price for each disposal. The expenditure will be closely monitored to ensure that all appropriate costs are offset against the capital receipts.

7.2 Legal Implications

- 7.2.1 By Section 123 of the Local Government Act 1972 (“S.123 LGA”) and/or Section 1 of the Localism Act 2011 the Council has the power to dispose of land in any manner it wishes, subject to certain provisions.
- 7.2.2 The Council has a statutory duty to obtain the best price reasonably obtainable, subject to certain exemptions.
- 7.2.3 In accordance with the Council's Property Procedure Rules the inclusion of property on the disposals programme requires approval either by the appropriate Cabinet member or by Cabinet itself.
- 7.2.4. All disposals should be made on a competitive basis, unless justified and approved otherwise, as required by the Property Procedure Rules.
- 7.2.5 Some disposals may be subject to conditions such as the grant of planning permission which will be a pre-requisite to the completion of the disposal and the receipt of the sale proceeds.
- 7.2.6 Contracts for sale will be in a form approved by the Assistant Director of Finance, Resources and Customer Services (Legal Services).

7.3 Property Implications

- 7.3.1 The Assistant Director of Finance, Resources and Customer Services (Property Services) will confirm that the proposed terms of individual sales comply with statutory duties and the Council's Property Procedure Rules.
- 7.3.2 55 Church Lane, Cheshunt, EN8, may in principle be sold to Housing Gateway Limited subject to their investment criteria.

8. KEY RISKS

- 8.1 The risk of property disposals not providing the necessary proceeds to fund the approved Capital Programme will be mitigated as far as possible by prudent budget setting and processes for review and monitoring of progress and assessment of market conditions.
- 8.2 The key risk to the Council, that Members should be aware of, is that the Capital receipts received for the sale of assets are unlikely to realise their full potential value and subsequently bids received will represent a discounted receipt given the importance of obtaining funds by the end of this financial year.

9. IMPACT ON COUNCIL PRIORITIES

9.1 Fairness for All

The sale of property generates capital receipts, which are used to fund spending priorities within the Council, helping protect services essential to those most disadvantaged in the borough.

9.2 Growth and Sustainability

Residential redevelopment will be appropriate for some of the property to be sold, which increases the housing stock, producing more sustainable and carbon efficient homes. The disposal of property for development attracts inward investment and funding and boosts local economic activity.

9.3 Strong Communities

Capital receipts help fund capital projects that assist the Council in building strong communities.

10. EQUALITIES IMPACT ASSESSMENT

Equality Impact Assessments will be conducted on individual properties where appropriate and considered in the Delegated Authority Reports that authorise the terms of disposal.

11. PERFORMANCE MANAGEMENT IMPLICATIONS

Rationalisation and more efficient use of property will contribute to improving service delivery to assist in meeting the Council's objectives.

12. PUBLIC HEALTH IMPLICATIONS

Public Health Implications will be considered in the Delegated Authority Reports that authorise the terms of disposal of individual properties.

13. HEALTH AND SAFETY IMPLICATIONS

Health and Safety Implications are considered in the evaluation of properties and will be reported in the Delegated Authority Reports that authorise the terms of disposal of individual property.

Background Papers

None

APPENDIX 1

- **William Preye Centre**, Houndsfield Road, N9
- **Coppice Wood Lodge**, New Southgate, N11
- **Honeysuckle House**, Palmers Green, N13
- **Bridge House**, Forty Hill, EN1
- **55 Church Lane**, Cheshunt, EN8