

MUNICIPAL YEAR 2019/2020 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

PORTFOLIO DECISION OF:
Cllr Mary Maguire Cabinet
Member for Finance and
Procurement

Agenda – Part: 1

KD Number: n/a

Subject: Asset Management – Disposal of
Council Owned Land and Property –
Durants Road Chapel

Wards: Enfield Highway

Contact officer and telephone number:

Doug Ashworth: 020 8132 0957

Email: doug.ashworth@enfield.gov.uk

1. EXECUTIVE SUMMARY

This report seeks approval to the sale of the Durants Road Chapel which is surplus to operational requirements and therefore considered in the Council's overall best interests to sell.

This sale will assist in funding capital spending and will reduce the Council's ongoing revenue liabilities including but not limited to business rates, insurance, reactive maintenance and repair and security costs.

2. RECOMMENDATIONS

- 2.1 That approval is given to the disposal of this property to the trustees of the Greek Orthodox Church of St Raphael, Nicholas and Irene.
- 2.2 To incorporate the agreed Heads of Terms set out in Appendix 1 (of the Part 2 report) into a contract for sale in accordance with the Council's Constitution (Property Procedure Rules) and otherwise in accordance with the requirements of the Council's legal advisers.

3. BACKGROUND

The general principles for the retention, re-use or disposal of surplus property has been set out in previous Asset Management Reports (Disposal Tranche Reports 1-9) and the underlying rationale incorporated within the Strategic Asset Management Plan 2019.

Consideration has also been given as to whether the asset is capable of generating an acceptable revenue return in lieu of a capital receipt however due to the poor condition of the property, it is not a viable proposition in this instance.

The Property

The subject property comprises a vacant Victorian chapel originally constructed pre-1900 which has been vacant for many years. The property is of solid brickwork construction under a pitched timber frame roof with a slate roof covering.

Internally, the property is in a very poor state of repair and is currently not suitable for occupation. However, externally the property appears in a reasonable state of repair. The building totals 851 sq.ft (Gross internal Area) based on a Gross External Area of 946 sq.ft.

The valuation report attached at Appendix 2 (of the Part 2 report) contain further details of the property together with photographs and Appendix 3 shows the land/buildings to be disposed.

Proposal

The Durants road chapel has been unused for many years and is surplus to the operational requirements of the cemetery service. Following consultation with stakeholders it is considered appropriate to bring this asset back into beneficial occupation.

The chapel is surrounded on three sides by graves and therefore a sensitive solution is required for its re-use.

The Greek Orthodox Church of St Raphael, Nicholas and Irene own the former semi-detached houses located directly opposite, (now demolished) having purchased the site in early 2019 and now wish to purchase the unused chapel and bring back into beneficial use for church services. The combination of the two assets is considered by both the church and the Council to be synergistic, enabling the church to conduct religious services in the chapel whilst also serving the wider community through construction of a community centre on their own land opposite.

They currently share premises elsewhere in the borough with another Christian denomination however they have been given notice to vacate their current premises and therefore need to move urgently.

The Greek Orthodox congregation would also naturally prefer to own their own premises.

They have been engaged in a site search for alternative premises since 2017 and have approached the Council with a view to combining the site in their ownership, with the Chapel currently owned by the Council directly opposite.

In view of the Council's need for a sensitive re-use of the current chapel building, and the Greek Orthodox communities' requirement for new premises, in principle, this proposal is considered satisfactory in principle.

Property Procedure Rules state that ordinarily the asset should be offered to the market and competitive bids received. In this instance this approach is not deemed satisfactory because:

- The asset is located in a sensitive location and the use needs to be compatible with a cemetery use adjacent.
- The Church have offered a sum significantly in excess of market value as evidenced by a formal valuation undertaken by the Council's external valuer – Avison Young.
- As an adjacent owner the Church may therefore be considered to be a "Special Purchaser" within the meaning described within the Property Procedure Rules.
- The following non – financial (community) benefits have been put forward by the Church in support of their application to purchase this asset from the Council.
 - The church intends to bring the adjacent derelict and demolished (formerly pair of semi-detached houses) back into use in the medium term as a community centre to be used in associated with the Chapel. It is currently an "eyesore" within the park setting. In the short term the site's appearance will be improved.
 - The community building will be used for functions associated with the Church including rooms for educational purposes, christenings, weddings and other community related activities including uses not necessarily related to church activity.
 - Potential opportunity for dual use arrangement on parking in the future on adjacent land used by the bowls club subject to the agreement on terms may be possible.

For the reasons noted above it is therefore recommended that the Council dispose of the Durants Road, former Chapel to the Greek Orthodox Church of St Raphael, Nicholas and Irene.

The access road to the Chapel is long and narrow and therefore commentary from the Highway's team has been sought as follows:

- The access from Hertford Road is narrow and does not appear to allow for two vehicles to enter and exit at the same time, in addition there are limited opportunities to pass. This potentially creates an issue with vehicles queuing on or reversing onto a busy, classified road. One solution could be the use of some of the land to the right of the access (appears to be related to Durants Park bowls club) to be used to widen the current road. Alternatively, there would need to be marshalling to avoid conflicts.
- There is no separate pedestrian access and the access road does not have a footway. If there is to be an increase in people walking and cycling to the site consideration would need to be given to marking out a clear route for pedestrians and cyclists.
- With some reconfiguration there could be around 10 parking spaces provided to the front of the existing building. Other parking demand will need to be accommodated although the exact level will depend on the number of visitors and the likely modal share (as a rule of thumb we would assume at least 50% of people will be driving).

- Given plans for this section of Hertford Road to be improved via the Cycle Enfield programme, it is likely that on-street parking will be reconfigured so this could impact on its availability for the proposed use.
- There will need to be secure cycle parking provided in line with regional and local policies.

Overall, given the extant use, the principle of the proposed development is acceptable subject to access and parking requirements being fulfilled.

Heads of Terms have provisionally been agreed with the Church and these are detailed in Appendix 1 to the Part 2 report.

A proposed sale plan (agreed with the Cemetery Service) is attached.

4. 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.

5. 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.

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

- 6.1.1 The proceeds from disposal will be one off and used to fund the existing capital programme. The alternative method for funding the programme would be to borrow from the PWLB.
- 6.1.2 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.
- 6.1.3 The sale of this asset will also be a cost avoidance measure with reduced revenue expenditure on reactive maintenance, security, business rates and other costs of a re-occurring or periodic nature.

6.2 Legal Implications

- 6.2.1 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.
- 6.2.2 The Council has a statutory duty to obtain the best price reasonably obtainable, subject to certain exemptions.

- 6.2.3 All disposals should be made on a competitive basis, unless justified and approved otherwise, as required by the Property Procedure Rules. Justification for an "off market sale" has been made in the body of this report.
- 6.2.4 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. This is not the case in this instance as this is a wholly unconditional sale with no conditions attached.
- 6.2.5 Contracts for sale will be in a form approved by the Assistant Director of Finance, Resources and Customer Services (Legal Services).

6.3 Property Implications

These are explicitly stated within the report.

7. KEY RISKS

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.

There is a risk that by not offering the property to the market we would have received a higher amount, however, the price proposed by the purchaser is above the market rate and therefore given the other non-financial community benefits it represents "Best Value". Valuations have been provided at Appendix 3 to justify the sale to the purchaser.

8. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

8.1 Good homes in well-connected neighbourhoods

Not applicable.

8.2 Sustain strong and healthy communities

The disposal of this property for community use builds social cohesion and addresses the needs of the population for a place of worship. The range of community uses on offer on adjacent land (to be developed as a community centre) will also assist local people. The capital receipt will also help fund capital projects that assist the Council in building strong communities.

8.3 Build our local economy to create a thriving place

Not applicable.

9. EQUALITIES IMPACT IMPLICATIONS

Corporate advice has been sought with regard to equalities and an agreement has been reached that an equalities impact assessment is neither relevant nor proportionate for the approval of this report.

10. PERFORMANCE AND DATA IMPLICATIONS

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

11. PUBLIC HEALTH IMPLICATIONS

The provision of a chapel and in the medium term, a community centre on linked adjacent land will contribute towards well-being in the neighbourhood (through a range of community uses, potentially related to exercise and other community led initiatives providing public health benefits) and will also encourage social cohesion by permitting lettings to non-affiliated organisations and groups.

Background Papers

Appendix 1: Proposed Sale Plan