



Haringey Council

Report for:	Cabinet 12 June 2012	Item Number:	To be added by the Leader's Office
Title:	Disposal of Surplus Council Properties		
Report Authorised by:	Lyn Garner - Director of Place and Sustainability		
Lead Officer:	Dinesh Kotecha – Head of Corporate Property Tel: 020 8489 2101 e-mail: dinesh.kotecha@haringey.gov.uk		
Ward(s) affected: N/A		Report for Key Decision:	

1. Describe the issue under consideration

- 1.1. The briefing provides background information on three recommended property disposals that have been triggered by changes in service delivery. Following consideration as part of the Property Review including consultation with Services, no future Council operational or strategic requirements have been identified for these properties. It is therefore recommended that these disposals should proceed directly given the need to achieve capital receipts in the current year to sustain the capital programme whilst reducing property-running costs.

2. Cabinet Member introduction

- 2.1. These properties are all surplus to Council requirements and their disposal is therefore in accordance with the Council's Corporate Asset Policy. Their disposal will also release latent value and generate capital receipts to support the capital programme and wider Council priorities.

3. Recommendations

- 3.1. To authorise the Head of Corporate Property Services to dispose of the Council's freehold interest in the three properties (A, B and C) as identified in the exempt part of this report for the best consideration reasonably obtainable on the open market



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4. Other options considered

- 4.1. Retention for conversion and inclusion within the Council's permanent housing stock managed by Homes for Haringey – this option is not supported due to the potentially high conversion/refurbishment costs involved for which funds are not available.
- 4.2. Retention for conversion and onward sale on the open market i.e. Council acting as developer – this option is also not recommended due to the potential risks of the current volatile housing market which could see the Council expending vast sums of money in converting/refurbishing the properties only to see a contraction in the housing market on completion of the works. This would be a developer risk if the properties are sold in their exiting conditions as proposed.
- 4.3. Retention for wider area regeneration – this option is also not recommended as none of the properties is situated in a designated regeneration area.

5. Background information

- 5.1. The Council's Corporate Asset Policy is "to only hold assets that are required for immediate service delivery or contribute to the achievement of corporate objectives and priorities in the longer term. "
- 5.2. By implementing this policy, the Council is able to both rationalise its property holdings and generate capital receipts to support the capital programme and in some cases facilitate regeneration schemes through disposal of surplus, inefficient or uneconomic buildings.
- 5.3. Currently, the Haringey Property Review is examining the Council's whole portfolio against the several strategic reviews underway across the Council (e.g. Housing Stock Options, Accommodation Strategy), the impacts on the property asset base of changes in service delivery and new legislation potentially affecting Council property. Nevertheless, in order to continue to support the Council's capital programme and minimise property running costs, it is important to identify any concurrent disposal opportunities that are not inextricably bound up with the wider review outcomes. Recent changes in service delivery have enabled three such potential disposals to be brought to Members and details are included in the exempt of the report.

Table - Exempt

6. Comments of the Chief Finance Officer and financial implications

- 6.1. Capital Receipts - the sale of the above properties will generate a combined capital receipt in the region of £2.5m which should be achievable in the current financial year and which subject to funding regulations will be up to 100% useable in line with the Council's Capital Strategy and re-directed to other Council objectives in accordance with capital programme priorities.



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- 6.2. Revenue Savings – the proposed disposal will generate revenue savings achieved from future running costs savings, which would contribute towards the significant savings targets from the accommodation strategy agreed as part of the 2011/12 budget and required to be delivered in 2013-14, unless specifically identified in pre-agreed savings proposals from services.
- 6.3. Minimising holding costs – offering the properties at the earliest possible opportunity will minimise holding and security costs for which no explicit budget exists.
- 6.4. The costs of preparing these properties for disposal will be offset from the capital receipt achieved.

7. Head of Legal Services and legal implications

Property A

- 7.1. Subject to investigation of title, in exercise of his powers under section 32 of the Housing Act 1985 and all other powers the Secretary of State gives to all local authorities the power to dispose of land held for housing purposes.
- 7.2. Under the Secretary of State General Consents 2005 A5.1.1 the Council may dispose of the house to any individual for a consideration equal to its market value provided that the buyer (alone or with others) has not under the same consent acquired another dwelling-house from the Council in the same financial year.

Property B and C

- 7.3. Section 123 of the Local Government Act 1972 provides that the Council has the power to dispose of land. The only constraint being any sale on the open market must be for the best consideration reasonably obtainable. The table (Exempt Appendix A) acknowledges the statutory requirement to obtain best consideration.
- 7.4. Consideration should be given to the incorporation of overage provisions in the sale agreements.

8. Equalities and Community Cohesion Comments

- 8.1. The capital receipts generated from the disposals will support Council objectives benefiting the wider community

9. Policy Implication

- 9.1. The proposals are consistent with the Councils' Corporate Asset policy as set out in the Asset Management Plan.



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10. Use of Appendices

10.1. Appendix 1 – Site plans for properties A, B and C (Exempt appendix 1).

11. Local Government (Access to Information) Act 1985

11.1. Background Documents

Cabinet reports:-

8th February 2011 - Medium Term Financial Planning 2011/12 to 2013/14

7th February 2012 – Options for the Future of Directly Provided Children's Homes

Other background documents are exempt.

11.2. The report contains exempt information. Exempt information is contained in Appendix A and is **not for publication**. The exempt information is under the following category (identified in amended schedule 12A of the Local Government Act 1972):-

S(3) Information relating to the financial or business affairs of any particular person including the authority holding the information.