

	<p style="text-align: center;"><b>Performance and Finance Select Committee</b>  <b>12<sup>th</sup> June 2007</b></p> <p style="text-align: center;"><b>Report from the Director of Finance and  Corporate Resources</b></p>
For Information	Ward Affected: ALL
<b>Report Title: Property Asset Disposals 2006/07</b>	

## 1.0 SUMMARY

- 1.1 At Full Council in May 2006 the threshold levels for utilisation of officer delegation in respect of property asset transactions was raised to £50,000 for rental and £150,000 for disposals. As a consequence Members also required a report to be prepared on all such transactions and for this report to be presented to Performance and Finance Select Committee (PFSC).

## 2.0 RECOMMENDATIONS

That the Committee:

- 2.1 Note the schedule of disposals attached as Appendix I detailing transactions for the financial year 2006/07.
- 2.2. Note the schedule of disposals agreed by Full Council for 2007/08 and beyond at Appendix 2.
- 2.3 Note the schedule of all transactions completed under delegated powers at Appendix 3
- 2.4 Is asked whether it requires more regular updates on disposals during the forthcoming year and, if so, the frequency of any such reports.

## 3.0 DETAIL

- 3.1 As part of the overall rolling capital programme a target of £12m of capital receipts has been set for the period 2006/07 – 2010/11. (This includes £1m of slippage from 2006/06). The setting of a financial target seeks to achieve a dual outcome. Firstly, it introduces a measure of performance for disposal of council assets. Secondly it helps to ensure there is a challenge to the retention of assets to ensure they are required or likely to be required as an operational resource.

- 3.2 The target set is based on the Council's capital programme, taking into account external funding and the continual requirement to adapt and improve assets rather than dispose and also to assist in reducing the backlog maintenance.
- 3.3 However the Council's asset base does not have any significant surplus resources due to an extensive disposal programme in the 1990's. Therefore the vast majority of opportunities are one-off disposals arising from review of service provision.
- 3.4 Additionally, in order to ensure we do not dispose of an asset which may be required for another use, a formal review procedure has been established at officer level. Thus it is a requirement that all potential disposals should be referred to the Head of Property and Asset Management. A paper on the asset is then taken to Assets Board, chaired by the Director of Finance and Corporate Resources, and officers representing the various services are requested to put forward any alternative use. Thereafter a report is presented to Capital Board and the asset is either cleared for disposal or the alternative internal bid is supported. Where the officer decision is to seek disposal, dependent upon the value attributed to the asset, it is then either prepared for disposal or the Executive are requested to approve the proposed action.
- 3.5 It is worth noting that given the relative small size of the Council portfolio invariably certain assets which have been declared surplus attract bids from other services. Whilst it is good that the council is making effective use of its asset base it does put pressure on the capital receipts target as assets can be withdrawn as disposal opportunities at this stage.
- 3.6 The internal process established for all disposals will ensure we consider all aspects of an asset before it is sold and this can include whether a public sector partner might be interested. Assets which, for whatever reason, are not to be sold at market value are always referred to Executive for decision.
- 3.7 The 2006/07 programme achieved the annual £3m target set in the original budget for the year, but the overall programme is behind on a two year basis because the 2005/06 target was not achieved. The programme for 2007/08 is not yet fully developed, as mentioned above, many disposals are a consequence of service decisions and therefore it is expected a number of assets, not yet considered for disposal will be identified during the forthcoming year. The preliminary schedule agreed by Full Council on 5<sup>th</sup> March 2007 is attached as Appendix 2 for information. Additionally a number of those disposals already identified for 2007/08 are contained within the requirements of the non-HRA Housing Private Financing Initiative (PFI). The PFI scheme proposes to create a number of affordable residential units and a replacement social services facility for Melrose House. However it is currently projected that if all disposals are achieved the programme will be back in balance by the end of this financial year.

3.8 Appendix 3 sets out all transactions completed under delegated powers per the instruction of Full Council.

#### **4.0 FINANCIAL IMPLICATIONS**

4.1 The 2006/07 Capital Programme included a target for capital receipts of £3m and Appendix 1 details the actual completions on disposals achieved in the year at £3.046m. The receipts are used to fund expenditure within the capital programme. If targets are not achieved planned expenditure may be halted or alternative sources of funding used.

4.2 There is currently an £8.0m target for capital receipts (excluding any slippage from 2006/07) derived from disposal of General Fund land and properties over the four years of the programme from 2007/08 to 2010/11. The target is demanding but achievable subject to conflicting demands on use of receipts from disposals being addressed. Proceeds cannot be used to fund both the capital programme and replacement assets and that may mean difficult decisions will need to be made. If there are proposals to use assets for alternative public use – including for example, disposing at below best value to housing associations – then the cost of this will need to be factored into the capital programme.

#### **5.0 LEGAL IMPLICATIONS**

5.1 Section 123 of the Local Government Act 1972 permits a local authority to dispose of land it owns in any manner it so wishes provided that in the case of a freehold disposal or the grant of a lease for 7 years or more it obtains the best consideration reasonably obtainable (unless it obtains the consent of the Secretary of State to disposal at an undervalue). This is usually demonstrated by extensive marketing of the property and acceptance of the best price or by disposal at auction.

5.2 The 2003 General Disposal Consent allows Local Authorities to dispose of property without obtaining the specific consent of the Secretary of State if the local authority is of the opinion that the disposal will help it to secure the promotion or improvement of the economic, social or environmental well being of their areas and the difference between the unrestricted value of the land to be disposed of and the consideration being received for the disposal does not exceed £2,000,000 (two million pounds). Regard must be had to the Community Strategy if appropriate.

#### **6.0 DIVERSITY IMPLICATIONS**

6.1 There are no specific implications that have been identified.

## **7.0 CONTACT OFFICERS**

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**DUNCAN McLEOD**  
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**London Borough of Brent - Capital Programme Disposal Monitoring  
Quarterly Roundup to 31st March 2007**

<b>COMPLETIONS</b>	<b>Achieved £(000)</b>	<b>Quarter</b>
Chalkhill Health Centre	900.0	Q1
Dudden Hill Lane, Youth & CC (stage payment)	15.0	Q1
Sycamore/Maple Grove garages	28.1	Q1
Land at Ebony Court	6.3	Q1
Balnacraig Ave, 12	6.0	Q2
Coplands Redevelopment	250.0	Q2
Dudden Hill Lane, Learie Constantine (stage payment)	2.8	Q2
Gloucester Close, 10	17.0	Q2
Gloucester Close, 11	17.0	Q2
Gloucester Close, 20	17.0	Q2
Kilburn High Road, 61	1.5	Q2
Lodge and Manor Court disused area	50.0	Q2
Shaftesbury Avenue (stage payment)	3.0	Q2
Walm Lane	2.0	Q2
Harley Road, 147 land adj.	10.0	Q3
John Billham Pavilion (net of £58k contribution)	465.0	Q3
Aboyne Road 17 roofspace	8.5	Q4
Attewood Ave,1 (Wykeham Primary School)	261.7	Q4
Brondesbury Park 130 a/b freehold	2.0	Q4
Chester Court, 1-6 freehold	26.0	Q4
CPO Reclaimed Monies (103 Hillside)	49.0	Q4
Dagmar Ave 73 (Park Lane Primary School)	298.2	Q4
Dorman Walk, 31 enfr	24.8	Q4
Gloucester Close, 2	17.5	Q4
Harley Road, 147, freehold	2.0	Q4
Minet Gardens 8 (Harlesden Primary School)	338.0	Q4
Oxford Rd, 24	3.0	Q4
Refugees into Jobs (stage payment)	33.7	Q4
Riffell Road, 9B, loft	10.0	Q4
Station Terrace, land	0.5	Q4
St Gabriels Rd, 93A&B freehold	5.0	Q4
St Margarets Road, 32 equity share	175.0	Q4
<b>TOTAL</b>	<b>£3,045.6</b>	

## Disposals Schedule to Full Council 5<sup>th</sup> March 2007

### Potential Disposals 2007-2008

Aboyne Road 17 Enfranch.  
 Barham Park (part of, for regen area)  
 Blatchford House, adj carpark land  
 Brownlow Rd garage.  
 Carlisle Gdns (Mount Stewart Schs) (ex-caretakers house)  
 Church Rd Car Park South  
 Clock Cottage and Scouts Site.  
 Columbkille - strip.  
 Dollis Hill Ln, Dollis Hill House  
 Dudden Hill Lane-Open Space renewal  
 Garnet Rd MUGA land  
 Gloucester Close, 6 - enfranchisement.  
 Harrow Road/Palermo Road site  
 Homelea, Willesden Lane, Non-HRA PFI  
 John Wilson House, Non-HRA PFI  
 Kingsbury Road, strip adj McNicholas  
 Lidding Rd Garages  
 Lyon Park Ave, 15  
 Mayo Road/MUGA land  
 Melrose House, Non-HRA PFI  
 NCRd, 501- enfranchisement.  
 Pakistan Workers, stage payment 1  
 Ryde House strip  
 St Johns Church land r/o (Asra)  
 Stonebridge Park strip  
 The Mead, 3  
 Townsend Lane Garages II (adj Allotments)  
 Vestry Hall, Church End  
 Wakemans Hill land.  
 Westcroft Court freehold - enfranchisement.  
 Willesden Lane 9, Non-HRA PFI

### Potential Disposals Post- 2008

Albert Rd (ground rent only)  
 Buckingham Rd 81  
 Cambridge Gdns- covenant.  
 Carlton Vale (W Baptist Ch)(ground rent)  
 Holland Road 125  
 Nicoll Road 56  
 Pakistan Workers, stage payment 2  
 Salusbury Rd Car Park  
 Winkworth Hall, Chevening Rd, Non-HRA PFI

## DELEGATED AUTHORITY MONITORING 2006-2007

REPORT TITLE	DATE OF APPROVAL	DETAILS OF CONCURRENCE REQUESTED
<b>APRIL 2006</b>		
1 Craven Park, Harlesden NW10	Approved 13 <sup>th</sup> April 06	To agree to enter into a Tenancy at Will for the duration of the Council's occupation
<b>MAY 2006</b>		
Unit 5, Bridge Park Community Leisure Centre	Approved 8/05/06	The grant of a three year lease to BSW Heating Ltd
Unit 2 Brent New Enterprise Centre, Cobbold Road	Approved 8/05/06	The grant of a three year lease
Unit 2 Bridge Park Community Leisure Centre,	Approved 8/05/06	The grant of a three year lease
Suite S39 The Designworks, Park Parade, Harlesden	Approved 11/05/06	The grant of a three year lease to Brent women's Aid
Unit 9 Bridge Park Community Leisure Centre	Approved 25/05/2006	The grant of a one year lease to end on 31 <sup>st</sup> Jan 2007
<b>JUNE 2006</b>		
10 Gloucester Close, Stonebridge NW10	Approved 06/06/06	Lease extension for 90 years at an agreed price of £17,000
11 Gloucester Close, Stonebridge NW10	Approved 06/06/06	Lease extension for 90 years at an agreed price of £17,000
102 Gloucester Close, Stonebridge NW10	Approved 06/06/06	Lease extension for 90 years at an agreed price of £17,000
Units 13/14, 21/22, 29-32 & Site for Parking Vehicle at Bridge Park Community Leisure Centre	Approved 13/06/06	To agree to the granting of a lease to Brent Community Transport Limited for an annual rent of £36,700
17 Aboyne Road London NW10	Approved 13/06/06	To agree to the granting of a Deed of Variation and a Licence to carry out a loft conversion
<b>JULY 2006</b>		
Dollis Hill Day Centre, Unit 23, Evans Business Centre, Brook Road, NW2 7BZ	Approved 04/07/06	To approve the terms agreed for a new lease for 12 months at passing rent subject to mutual break.
Lodge and Manor Courts, Central Square, Wembley	Approved 11/07/06	To approve variation to existing 99 years lease to facilitate the completion of the Wembley Square redevelopment
<b>AUGUST 2006</b>		
149 & 151 Townsend Lane NW9	Approved 18/08/06	To agree the freehold sale of Land between 149 & 151 Townsend Lane for the sum of £30,500 plus costs
Land adjacent to 147 Harley Road NW10	Approved 23/08/06	To agree the sale of the freehold to for the sum of £10,000
Unit 10 & 11 Bridge park Community Leisure Centre, Harrow Road	Approved 28/08/06	To approve the grant of a lease for a term of 3 years at a rent of £19,370 pa
Unit 3,4,5 & 12 Brent New Enterprise Centre, Cobbold Road	Approved 28/08/06	To approve the grant of a lease for a term of 3 years at a rent of £13,627 pa and service charge of £5,154 pa
Unit 1 Brent New Enterprise Centre, Cobbold Road	Approved 28/08/06	To approve the grant of a lease for a term of 3 years at a rent of £3,000 per annum exclusive
Suite G4 The Designworks, Park Parade	Approved 28/08/06	To approve the grant of a lease for a term of 3 years at a rent of £13,500 pa and service charge of £3,000 pa

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REPORT TITLE	DATE OF APPROVAL	DETAILS OF CONCURRENCE REQUESTED
Suite G9 The Designworks, Park Parade	Approved 28/08/06	To approve the grant of a lease for a term of 3 years at a rent of £1,000 p.a; service charge at £1,000 p.a.
Unit 18 Bridge Park Community Leisure Centre, Harrow Road	Approved 28/08/06	To approve the grant of a lease for a term of 3 years. Rent as follows: Year 1 £2,500; Year 2 £3,250; Year 3 £5,000
Unit 19 Bridge Park Community Leisure Centre, Harrow Road	Approved 28/08/06	To approve the grant of a lease for a term of 3 years at a rent of £5,200 per annum
Unit 17 Bridge Park Community Leisure Centre, Harrow Road	Approved 28/08/06	To approve the grant of a lease for a term of 3 years at a rent of £5,540 per annum
<b>SEPTEMBER 2006</b>		
29 Rutland Park, Willesden NW2	Approved 15/09/06	To agree the release of a restrictive covenant on this property
69 Lilburn Walk, St Raphael's Estate NW10	Approved 15/09/06	To agree the grant of a lease for a term of 3 years at an annual rent of £3,500
Unit 5, Bridge park Community Leisure Centre, Harrow Road	Approved 26/09/06	To agree the grant of a lease for a term of 3 years at an annual rent of £5,000
<b>OCTOBER 2006</b>		
Lanmore House, 370-386 High Road, Wembley Middx	Approved 04/10/06	To agree to the assignment of the existing lease of Lanmore House to Working Links (Employment) Ltd
Quality House, 249 Willesden Lane	Approved 16/10/06	To agree a lease of offices 50m <sup>2</sup> to Brent Alcohol Counselling Services
93a and 93b St Gabriel's Road London NW2	Approved 23/10/06	To agree the sale of the freehold for the sum of £5,000.
<b>NOVEMBER 2006</b>		
1 Mildros Court, Malvern Mews London NW6	Approved 01/11/06	To agree to the sale of land adjacent to 1 Mildrose Court for £10,000 by stage payments,, plus fees
9B Riffel Road London NW2	Approved 01/11/06	The grant of Deed of Variation and licence to carry out a loft conversion
<b>NOVEMBER 2006 – cont'd</b>		
Stadium Access Corridor Wembley	Approved 6/11/06	To agree the lease of land to EDF Energy PLC for relocation of substation
Unit 20, Bridge park Community Leisure Centre, Harrow Road	Approved 5/11/06	The grant of a lease for a term of 3 years at a rent of £5,000 per annum
1-6 Chester Court, 84 Salusbury Road London NW6	Approved 14/11/07	To agree to the sale of the freehold reversion to the leaseholders at the sum of £26.000
<b>DECEMBER 2006</b>		
12 Gloucester Close, Stonebridge Park NW10	Approved 12/12/06	To agree premium for a new Lease by Agreement
123 Aboyne Road NW10	Approved 15/12/06	To agree the release of a restrictive covenant against development or clearing land
Chapel, Welsh Harp Environmental Education Centre, Burchen Grove NW9		To agree to the grant of a new lease of the Chapel to Energy Solutions (North West London) for a term of 10 years at a rent of £1000 per annum
<b>JANUARY 2007</b>		
1 Olympic Way, Wembley HA9 9NP	Approved 10/01/07	To agree the granting of a licence for the occupation of suite 123 by Brent In2 Work
Designworks, Rucklidge Avenue	Approved	To agree the granting of a lease of Rooms 6&9,



## DELEGATED AUTHORITY MONITORING 2006-2007

REPORT TITLE	DATE OF APPROVAL	DETAILS OF CONCURRENCE REQUESTED
	10/01/07	The Bridge Suite, to Uganda Community Relief Assoc for a term of 3 years at a rent of £6,149 per annum.
Winkworth Hall, 215 Chevening Road, NW16	Approved 12/01/07	To agree a new lease from 16 <sup>th</sup> January 2007 to the Islamia Primary School expiring end July 2010
Neasden Library, 277 Neasden Lane, NW10 1QJ	Approved 23/01/07	That approval is granted for the rent review terms agreed between the Landlord Vista Hawk Ltd and London Borough of Brent
Rooms 14 & 16, Bridge Suite, The Designworks, Rucklidge Avenue	Approved 01/02/07	Approval to grant a lease of Rooms 14 & 16 The Designworks for a term of 3 years at a rent of £3,400 per annum
<b>FEBRUARY 2007</b>		
The Old Library Building, Willesden Green Library Centre, 95b High Road	Approved 22/02/07	To agree the granting of a lease to Brent Irish Advisory Services for a term of 7 year less two days commencing 1 <sup>st</sup> December 2006.
Unit 37 The Designworks, Park Parade, NW10	Approved 16/02/07	To approved the grant of a lease to KM Immigration Services Ltd for a term of 3 years at an annual rent of £3,280
1 Mildrose Court, Malvern Mews NW6 – the sale of land adjacent	Approved 20/02/07	To agree to the sale of the land adjacent to No 1 Mildrose Court for the sum of £10,000 plus fees.
51A & B St Paul's Avenue, NW2	Approved 20/02/07	To agree to the disposal of the freehold to the leaseholders at the price of £10,000 plus costs
29 Tubbs Road NW10	Approved 20/02/07	To agree the sale of the freehold of a house which has been converted into 2 flats having 117 years unexpired on the lease for the sum of £5,000 plus costs
36B Sellons Avenue, NW10	Approved 26/02/07	To agree the sale of the loft space to the long leaseholder for a premium of £10,000
108 Roundwood Road, Willesden	Approved 26/02/07	To agree the sale of the freehold reversion to the leaseholders at a sale price of £5,000 plus costs
10 Hovenden Road, NW2	Approved 26/02/07	To agree terms for the renewal of a lease for EDF Energy transformer substation for a term of 25 years at the rent of £250 p.a.
Suite 37, Designworks, Park Parade NW10	Approved 26/02/07	To approve the granting of a lease to KM Immigration for a term of 3 years at a rent of £2,380 p.a.
Winkworth Hall, 215 Chevening Road NW6	Approved 28/02/07	To agree lease renewal of part for Hopscotch Children's nursery from 1 <sup>st</sup> April 2006 for a term expiring 31 <sup>st</sup> July 2010
<b>MARCH 2007</b>		
1 Olympic Way, Wembley	Approved 12/03/07	To agree the renewal of a licence for the occupation of suite 123 by Brent In2 Work for a Licence fee of £3,103.33 per calendar month plus VAT.
36b Sellons Avenue NW10	Approved 13/03/07	To agree the sale of the loft space to the long leaseholder for a sum of £10,000
108 Roundwood Road, London NW10	Approved 13/03/07	To agree the sale of the freehold reversion for the sum of £5,500. The Leaseholder to pay the Council's legal fees.

## DELEGATED AUTHORITY MONITORING 2006-2007

REPORT TITLE	DATE OF APPROVAL	DETAILS OF CONCURRENCE REQUESTED
36A Dunster Gardens, NW6	Approved 19/03/07	To agree to the sale of the basement to the owner of the upstairs property at the purchase price of £10,000 plus the Council's costs
IT suite, Bridge Park Leisure Centre	Approved 19/03/07	To agree the granting of a lease to Northwest London Online for a term of 3 years at an annual rent of £10,667 and service charge at 3.92% of expenditure
12 Ranelagh Road, Harlesden	Approved 22/03/07	To agree the sale of intermediate leasehold interest to the leaseholder for the sum of £1,304 plus Council's costs
Middlesex House, Northwick Road, Alperton	Approved 24/03/07	To agree the grant of an easement to Stadium Housing Association as freeholder and Brent Council as Lessee to allow EDF to run electricity cables over Middlesex House
3-7 Lincoln Parade, Preston Road – Refugees into Jobs	Approved 29/03/07	To seek approval of the terms agreed for the grant of a new lease for a term of 10 years from 1 <sup>st</sup> April 2007 at a rent of £33,700 per annum exclusive of rates and all outgoing