

	<p align="center">Performance and Finance Select Committee 29th July 2008</p> <p align="center">Report from the Director of Finance and Corporate Resources</p>
For Information	Wards Affected: ALL
<p>Report Title: Property Asset Disposals 2007/08</p>	

1.0 SUMMARY

- 1.1 At Full Council on 21st May 2007 the threshold levels for utilisation of officer delegation in respect of property asset transactions was raised to £100,000 for rental and £300,000 for acquisitions and disposals. At a previous Council meeting in 2006 it was agreed that the Head of Property and Asset Management would be required to prepare an annual report 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 2007/08.
- 2.2. Note the schedule of disposals agreed by Full Council for 2008/09 and beyond at Appendix 2.
- 2.3 Note the schedule of all transactions completed under delegated powers at Appendix 3

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. 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 2007/08 programme exceeded the annual target set in the original budget for the year, and the overall programme has now accumulated some £7.351 Million, on a three year basis, meeting both Target (£6.7 Million) and associated costs (£0.464 Million). An important feature of the programme is Enabling Expenditure, which amplifies these associated disposal costs and makes the effective target still larger and more challenging. The programme for 2008/09 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 updated Rolling Programme schedule is attached as Appendix 2 for information. However it is currently projected that if all disposals are achieved the programme will remain in balance or exceed Target by the end of this financial year.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The 2007/08 Capital Programme included a target for capital receipts of £2.0m plus costs of £0.34m and Appendix I details the actual completions on disposals achieved in the year at £3.339m
- 4.2 There is currently an £8.0m target for capital receipts plus costs 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 at future points. 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 STAFFING/ACCOMMODATION IMPLICATIONS

- 7.1 There are no specific implications that have been identified.

8.0 BACKGROUND PAPERS

9.0 CONTACT OFFICERS

Richard Barrett, Head of Property and Asset Management,

London Borough of Brent - Capital Programme Disposal Monitoring
Quarterly Roundup to 31st March 2008

COMPLETIONS	Achieved £(000)	Quarter
Aboyne Road, 123 covenant	5.0	Q1
Dunster Gardens 36a (cellar)	10.0	Q1
Girton Ave 18 (equity share)	143.5	Q1
Malvern Mews, land adj 16-19 Mildrose Court	10.0	Q1
Pakistan Workers (stage payment)	3.75	Q1
Ranelagh Road, 12 enfr	1.3	Q1
Roundwood Road, 108 f'hold	5.0	Q1
Ryde House strip	2.5	Q1
St Pauls Avenue, 51A+B, freehold	10.0	Q1
Station Terrace, land	0.5	Q1
The Mead, 3	245.0	Q1
Gloucester Close, 12	20.0	Q2
Townsend Lane Garages north	30.5	Q2
Dudden Hill Ln, Learie Const'ntine stage paymt	5.6	Q2
Kingsbury Road, strip adj McNicholas	100.0	Q3
Stonebridge HAT transfer of land, dowry.	240.0	Q3
Buckley Road 59b (roof)	15.0	Q4
Dudden Hill Ln, Youth & Comm stage paymt	15.0	Q4
Glengall Rd, 39 (freehold, part VP)	267.0	Q4
Linacre Road 32b	265.2	Q4
Mayo Rd /MUGA land	1914.0	Q4
Sellons Ave, 36B (loft)	10.0	Q4
Walton Gardens, 35	0.5	Q4
Winchester Ave 39b Loft	20.0	Q4
TOTAL	£3,339.4	

APPENDIX 2

Disposal schedule to Full Council

Likely Disposals 2008-2009	Likely Future disposals
Albert Road	Barham Park (regeneration)
Anson road, 85b (loft	Cambridge Gardebs covenant
Barham Park Caretakers Site	Calrton Vale (W Baptist Church)
Barnhill Cottages, 2 (60% of 1+2 combined value	Carlyon Print
Birchen Grove, The Lodge (freehold)	Clock Cottage Scouts
Blatchford House, adj carpark land	Elm Garden allotment site
Brownlow Road	Lidding Road garages
Byran Avenue Stores	Misc small residentials
Buckingham Road 81, BHP initiative	Nicholls Road 56a/b BHP initiative
Carlton Vale (W Baptist Church)	Quality House
Chatsworth Road 17a, land + cellar	Salisbury road Car park
Chevening Road, 157c, loft	Seymour Place garages
Church Lane, 329 *Fryent school house)	St Mary's Road site
Church Road Car Park II	Twybridge/Hillside site
Clock Cottage, St Lukes	Winkworth hall, Chevening road Non HRA PFI
Columbkille (land strip)	
Coniston Gardens	
CPO Reclaimed Monies (103 Hillside + others)	
Deacon Road, 72a land at rear	
Dollis Hill Lane Open space renewal	
Dudden Hill Lane, Learie Constantine freehold	
EDF Neasden – Alperton Wayleave	
EDF Wembley/Tokington Wayleaves	
Elthorne Way – land for water easement	
First Drive, Land from HAT	
Harrow Road/Palermo Road Site	
Harrow Road, 125, Freehold	
Homelea, Willesden Lane, Non-HRA PFI	
John Billham Scout Hut	
John Wilson House, Non HRA PFI	
Keyes Road, 50C (roof space)	
Kilburn Lane, 301 freehold	
Linacre road, 32a	
Lyon Park Avenue, 15	
Melrose House Non HRA PFI	
Pakistan Workers (stage payments)	
Palermo Road, 26 (loft and freehold)	
Riffell Road, 9 freehold ground rent	
Saxon Road, Chalkhill MHT	
Sellons Avenue, 36b (loft)	

APPENDIX 3

PROPERTY AND ASSET MANAGEMENT

Delegated Authority Monitoring From April 2007 to March 2008

REPORT TITLE	DATE OF APPROVAL	DETAILS OF CONCURRENCE REQUESTED
APRIL 2007		
MAY 2007		
Technology House, Bridge Park Complex, Harrow Road	Approved 13/06/07	To agree the grant of a lease for Units 37, 38 and 40 to New Life Christian Centre International for a term of 3 years from 1 st May 2007
Park House, 1 Manor Park Road, Harlesden NW10		To agree a short lease extension from 25 th January 2007 to 31 st July 2007 of the entire premises for Brent Mental Health Services
Land fronting Kingsbury House, Kingsbury Road NW9 (former McNicholas Offices)	Approved 08/06/07	To agree the sale of the car parking area for £100,000 plus £2250 towards all Council's costs
1 Olympic Way, Wembley HA9 9NP	Approved 06/06/07	The granting of a licence for the occupation of suite 222/224/226 by Brent In2 Work (Building One Stop Shops)
JUNE 2007		
Various Council Properties	Approved 13/06/07	Wayleave agreements for fibre optic cables and ducting at various council properties between London Borough of Brent and Virgin Media
35 Walton Gardens, Wembley HA9 8NH	Approved 20/06/07	To agree the proposed sale of the remaining leasehold interest
JULY 2007		
39b Winchester Avenue London NW6	Approved 05/07/07	To agree the proposed sale of the loft space to the leaseholder for a premium of £20,000 plus costs
24 Crawford Avenue, Wembley HA0 2HT	Approved 06/07/07	Approval of the terms agreed for Brent to take a further new lease of the property for a term of 10 years subject to mutual break after 2 years.
Watford Road, Wembley (development by the PCT at Vale Farm)	Approved 18/07/07	Wayleave Agreement for joint boxes, duct and associated cables serving PCT LIFT development
AUGUST 2007		
Welsh Harp Environmental Education Centre, Birchen Grove		To grant a new lease of the Chapel to Energy Solutions for a term of 10 years commencing from the date of the lease. The lease to be a full repairing and insuring nature
Scout Hut, Coniston Gardens, Kingsbury NW9	Approved 09/08/07	The surrender of the Scout Hut to the Council for an ex gratia payment

Brent Canal Feeder, Hillside NW10	Approved 14/08/07	Agree to take an assignment of a 125 year lease of the canal feeder strip of land in connection with transfer of Open Space to Brent from Stonebridge HAT/Hyde.
Bathurst Gardens NW10 – Kensal Rise Library	Approved 30/08/07	Wayleave agreements for fibre optic cables and ducting at Kensal Rise Library between Virgin and the London Borough of Brent
SEPTEMBER 2007		
Wembley Primary School, East Lane, Wembley	Approved 13/09/07	Wayleave agreement prepared by John Hannington, Legal Services, for John Bowtell
39 Glengall Road, Kilburn NW6	Approved 18/09/07	To agree the disposal of the freehold of the entire house to the leaseholders of the upper flat for £270,000 plus costs.
59B Buckley Road, Kilburn NW6	Approved 18/09/07	To agree the leasehold disposal of the roof space to the leaseholder for a premium of £15,000 plus costs by Deed of Variation
Fawood Nursery Centre, Fawood Avenue, Stonebridge	Approved 13/09/07	To agree the acquisition of the Freehold reversion of the Fawood Nursery Centre from Stonebridge Housing Estate at nil consideration – agreed in an email to John Hannington dated 13/09/07
OCTOBER 2007		
Land fronting Kingsbury House, Kingsbury Road NW9 (former McNicholas offices)	Approved 12/10/07	To agree the sale of the car parking area to Skanska McNicholas plc for the sum of £100,000 plus costs.
Room 10 Bridge Suite, The Designworks, Park Parade	Approved 26/10/07	To approve the granting of a lease to Mr B Ibitayo for a term of 3 years at an annual rent of £4,500 p.a
Lock up shop 6&7 Peel Precinct London NW6	Approved 30/10/07	To approve the granting of a lease of two lock up shops to John O’Sullivan for the term of 3 years at a rent of £14,000 per annum
Lock up shop 21&22 Peel Precinct London NW6	Approved 30/10/07	To approve the granting of a lease of two lock up shops to South Kilburn Hyde Housing Assoc for a term of 3 years at a rent of £16,000 per annum exclusive
NOVEMBER 2007		
24-28 London Road, Wembley, Madison House	Approved 19/11/07	To approve lease renewal of the ground floor and lease extension of the second floor
39 Glengall Road, NW16	Approved 28/11/07	To agree the sale of the freehold and proposed new leasehold interest
DECEMBER 2007		
Land at 72A Deacon Road, NW10	Approved 04/12/07	To agree the disposal of the garden land at 72A Deacon Road to the RTB leaseholder and Deed of Variation to be granted, expiring 21/09/2111
157C Chevening Road, NW6	Approved 05/12/07	To agree the leasehold sale of the loft space to the leaseholder for a premium of £35,000 plus costs
1 Olympic Way, Wembley	Approved 19/12/07	Lease of Suite 125 on the first floor for office accommodation for Brent in2 Work from 19/11/07 to 23/05/2009
59b Buckley Road Kilburn	Approved	To approve the leasehold disposal of external

NW6	19/12/07	flat roof space
52A The Avenue, NW6 7NP	Approved 19/12/07	To approve the sale of the loft space for the sum of £10,000 plus costs
Shackleton House, Brentfield Road NW10	Approved 19/12/07	To approve the granting of a lease of part of the rooftop at Shackleton House for the installation of telecommunications equipment
301 Kilburn Lane, London W9	Approved 19/12/07	To agree the disposal of the freehold to the leaseholder for a premium of £6,375 plus costs
JANUARY 2008		
Unit 7&13 Brent New Enterprise Centre, Cobbold Road	Approved 08/01/08	To approve the letting of Units 7 &13 BNEC to Mr J Wu for a term of 3 years at an annual rent of £6,600 and service charge of £2,600 per annum
Unit 10 Brent New Enterprise Centre, Cobbold Road	Approved 08/01/08	To approve the letting of Unit 10 BNEC to Wave enterprises Limited for a term of 3 years at an annual rent of £4,400 and service charge of £1,800 per annum
349-357 High Road, Wembley (Brent House)	Approved 17/01/08	To agree the renewal of lease of office accommodation on ground floor to 4 th floor
Birchen Grove Kingsbury – Welsh Harp Environmental Education Centre	Approved 28/01/08	To approve the Lease of the Chapel to Energy Solutions North West London for a term of 10 years at a rent of £1000 per annum
349-357 High Road, Wembley (Brent House)	Approved 28/01/08	To agree the renewal of lease of office accommodation on ground floor to 4 th floor
FEBRUARY 2008		
Shackleton House, Brentfield Road NW10	Approved 8/02/08	To agree telecom installation on Shackleton House by O2 for a term of 10 years from 8 th August 2006 at a rent of £13,750 per annum
69 Pound Lane, Willesden London NW10		Disposal of a strip of land adjoining no 69 Pound Lane by a lease of 99 years at a premium of £2,000 per annum
Curzon Crescent Nursery Curzon Crescent & Chalkhill Y&C Centre Poplar Grove		Wayleave agreement for provision of new service pipe and trunking connections at Curzon Crescent Nursery and Chalkhill Y&C Centre Poplar Grove, HA9
MARCH 2008		