

	<p style="text-align: center;">Executive 15 February 2011</p> <p style="text-align: center;">Report from the Director of Housing and Community Care Director of Regeneration and Major Projects</p>
<p style="text-align: right;">Ward Affected: Kilburn, Tokyngton, Preston, Northwick Park</p>	
<p>Transfer of Freehold of 54 Beechcroft Gardens HA9 8EP, 7 Kinch Grove HA9 9TF, 63 Manor Drive HA9 8EB, 1-5 Peel Road HA9 7ZY, Legal Charge – Albert Road Day Centre, Albert Road, South Kilburn</p>	

1.0 SUMMARY

- 1.1 To agree the freehold transfer of four residential properties from Brent Primary Care Trust.
- 1.2 That legal charges are placed on each of the four properties and the Albert Road Day Centre.

2.0 RECOMMENDATIONS

- 2.1 That the Executive delegate authority to the Director of Housing and Community Care and Assistant Head of Property and Asset Management in consultation with the Director of Housing and Community Care to finalise terms and complete a transfer to Brent Council
- 2.2 The Executive delegate authority to undertake an auction and complete a sale of Peel Road or if appropriate a letting.
- 2.3 To approve the attachment of a legal charge against the 4 residential properties and the Albert Road Day Centre replacement

3.0 DETAIL

- 3.1 The Department of Health issued a circular in August 2008¹ that required all PCTs in England and Wales to transfer budgets and

¹ Department of Health. August 2008. *Valuing People Now: Transfer of Learning Disability Social Care funding and Commissioning from the NHS to Local Government and Transfer of*

commissioning responsibilities for the social care needs of clients with learning disabilities from the Primary Care Trust (PCT) to the local authority.

- 3.2 Further Guidance was issued by the Department of Health in June 2009 (Gateway Reference: 12088) which provides a central government framework for handling the transfer of the capital element of commissioning and funding of social care for adults with learning disabilities from the NHS to Local Authorities
- 3.3 NHS Brent and Brent Council have agreed and submitted returns confirming the revenue funding transfer for 2009/10 and 2010/11. The capital interest in properties used to provide social care services, needs to transfer to local authorities by 1st April 2011.
- 3.4 Before any agreement for property transfers is finalised it is crucially important that it has been established that they are fit for purpose in the medium and longer term, and do not expose the Council to considerable capital investment and legal restrictions that may apply to the future use of the buildings. For all 4 properties listed in this report, the service users resident there also receive services from a service provider to help them live independently.
- 3.5 There are 4 properties listed below:

3.6 **Property 1- 54 Beechcroft Gardens HA9 8EP**

A single storey brick built bungalow with a pitched tiled roof. This property accommodates three residents and comprises three bedrooms, a lounge/dining area, office, bathroom/WC, two separate WCs, kitchen and utility room. There is a garden to the rear which has a disabled access ramp. It is generally in good condition with part carpeted floors and part laminate coverings. The windows are mostly uPVC double glazed.

Property 2- 7 Kinch Grove HA9

A two storey brick built house with a pitched tiled roof. The property accommodates four residents and comprises four bedrooms, three upstairs and one downstairs, office, kitchen/Diner, lounge, two bathrooms and two separate WCs. There is a private garden to the rear which is accessible via a disabled access ramp. It is in good decorative condition except for some minor exterior works such as missing tiles and cracked paintwork.

Property 3- 63 Manor Drive HA9

A two storey brick built house with a pitched tiled roof. The property accommodates four residents and comprises four bedrooms, three upstairs and one downstairs, an upstairs office, kitchen, lounge/diner, small utility room and two bathroom/WCs. It is in reasonable decorative order both internally and externally.

Property 4- 1-5 Peel Road HA9

A two storey part Victorian with a modern two storey addition about 15 years old. The property was refurbished and totally remodelled about 15 years ago to form a single residential home providing eight fully accessible residential rooms with lift hoists and a lift serving the upper floor. The property is in generally reasonable order and has been maintained by the PCT. The property is located on a plot of about 1000 sq m (0.25 acres) very close to North Wembley Station and adjacent to a former pub now converted to a Tesco Metro. The property has a long running structural problem that has on two occasions been tendered for repair. It is estimated that the current costs of repair would be about £220,000.

Interest has been expressed Care Management Group the operator at 167 Willesden Lane who currently provides residential care facilities for people with physical difficulties. The opportunities for a sale to this sector will be explored.

The property is currently being maintained on behalf of the PCT by Kensington and Chelsea PCT for Brent PCT. They have agreed to leave all contracts in place until the clients all move to 167 Willesden Lane.

The property is likely to be more suited to the redevelopment of a private residential development and therefore a capacity exercise will be undertaken to establish the value. The base value is in the region of £500,000.

- 3.7 Each of the properties has been inspected. They are all in good condition (except for 1-5 Peel Road) located within medium density suburban locations. The properties were originally acquired by the Health Service and were refurbished and adapted to provide supported living accommodation for learning difficulties clients. All except Peel Road and have been wholly managed and maintained by the service providers. From inspection they have been well maintained and on initial inspection all items such as registration documents, asbestos registers, electrical wiring test certificates were all present site. Copies of these documents have all been requested from service providers.
- 3.8 The PCT are currently putting in place short term leases with the operators which will impose full repairing and insuring obligations on the tenant. The detailed terms of these leases will need to be approved by Brent before it accepts a transfer.
- 3.9 The finalisation of the transfer of the properties from the PCT to the Council will be also be dependent upon reviewing and updating the terms of contract currently in place with the providers to ensure that they are fit for purpose and do not commit the Council to undue contractual obligations or financial risk. This requirement does not apply to Peel Road as the Council has recently put a new contract in

place with the provider which meets current requirements and the service will re locating to 167, Willesden Lane.

- 3.10 A condition required by the PCT in the transfer is that all the properties will have a legal charge attached to them such that in the event that the Council sold the properties any sale proceeds would have to be reinvested in the Learning Difficulties service. This is a requirement that all PCT's have to impose under the legislation that facilitates the transfer of the services to Local Authorities.
- 3.11 It should be noted that if in future the costs paid by Brent for the services is reduced the operators might either fail to maintain the premises adequately hence resulting in a potential breach of a maintenance obligation for which the council would have a legal remedy. There is no specific maintenance budget being passed to Brent Council.
- 3.12 The properties are generally relatively accessible to the existing client group although as they age and potential disabilities increase they might require further adaptation.
- 3.13 In the case of Peel Road it is intended that the occupiers from this property will be relocated to 167 Willesden Lane on February 28th. Although there is some uncertainty that the building will be ready in time the move could be delayed by up to a month.
- 3.14 The future use of this property will therefore be reviewed in the context of the legal charge that will be placed on the property.
- 3.15 The four properties if sold on the open market with vacant possession are likely to have a total value in the order of £1.1- £1.3 million.
- 3.16 In order to achieve payment of £450,000 from Brent PCT for the investment in services for Learning Difficulties clients. It is proposed that this money will be spent on the Albert Road Day centre replacement at the John Bilham site. Therefore the Council will need to agree to the imposition of a legal charge on this site.
- 3.17 It is intended that when the current Albert Road Day Centre site is sold the legal charge will be transferred to the John Bilham site. The documentation would allow Brent Council to substitute another property if for some reason we did not wish to see a charge placed on this site.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The revenue cost for the services provided from these premises has already been transferred from NHS Brent to the Council. It is not anticipated that the transfer of the properties to the Council will result in increased ongoing revenue costs associated with maintenance of the buildings as the new leases being put in place put this responsibility with the tenant.

- 4.2 If the council sought to dispose of these properties the capital receipt would either need to be repaid to the PCT or their successors in title of reinvested in alternative service provision.

5.0 LEGAL IMPLICATIONS

- 5.1 When the properties are transferred to Brent, Brent will step into the PCT's shoes in relation to the leases mentioned in paragraph 3.8 and will assume all obligations and liabilities under the lease.
- 5.2 When the properties are transferred to Brent, by virtue of the legal charge attached to properties, a restriction will be entered against the title of the properties which will prevent Brent from making any registrable dispositions without the consent of the proprietor for the time being of the legal charge.
- 5.3 Consent to the registrable disposition will only be provided on certain terms which will need to be approved by the Assistant Director of Regeneration and Major Projects before Brent accepts the transfer.
- 5.4 A registrable disposition is defined under s27 Land Registration Act 2002 as being a transfer, a lease for a term of more than seven years or the grant of a legal charge and would also include the grant of an easement.

6.0 DIVERSITY IMPLICATIONS

- 6.1 The proposals represent a transfer of a statutory function and will not mean any changes to the service of clients at 3 of the properties. At Peel Road the clients will transfer to a newly constructed building at 167 Willesden Lane.

7.0 STAFFING/ACCOMMODATION IMPLICATIONS

- 7.1 There are no direct staffing implications for the Council in this property transfer and the accommodation implications have been dealt with in this report.

8.0 BACKGROUND PAPERS

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