

	<p style="text-align: center;">Executive 23 May 2011</p> <p style="text-align: center;">Report from the Director of Regeneration and Major Projects</p>
For Action/Information	Ward Affected: Queens Park
<p>Proposed Disposal by Auction of the East Lodge, Paddington Cemetery 93 Willesden Lane London NW6 7SD</p>	

1.0 SUMMARY

- 1.1 This report seeks the Executive's approval for the disposal by auction of the East Lodge located in the Paddington Cemetery, 93 Willesden Lane London NW6 7SD. The property has now become surplus to requirements after the previous occupier, an employee of the Environmental Health Unit vacated the property in February 2011.

2.0 RECOMMENDATIONS

- 2.1 That the Executive authorises the Assistant Director, Regeneration & Major Projects, (Property & Asset Management), to dispose of the property by way of auction on such terms that he considers appropriate, after all due regard to planning and architectural considerations so as to ensure that the best price is received on sale and to instruct Legal Services in the matter of the disposal.
- 2.2 That the Executive authorise the Assistant Director, Regeneration & Major Projects, (Property & Asset Management), to commence and comply with the procedure, as set out in Section 123(2A) of the Local Government Act 1972 (LGA 1972), of the Council's intention to dispose of the public open space comprising the East Lodge and the land within its cartilage.

3.0 DETAIL

- 3.1 The East Lodge is a Grade II listed house built circa 1870's, located to the left hand front entrance of the Paddington Cemetery and situated within its grounds. The building is located within the Paddington

Cemetery Conservation Area. The Paddington Cemetery is also a Registered Park and Garden.

- 3.2 The property is located within a half mile of the A5 Kilburn High Road which is a major arterial route into the West End of London. It is also situated within 10 minutes walk of Queens Park Underground Station and Kilburn Underground Station. Brondesbury and Brondesbury Park railway stations are also located within close proximity. Maida Vale, St John's Wood and West Hampstead are also located nearby. This makes the property very attractive to potential purchasers looking to live within easy commuting distance of the West End and the City.
- 3.3 The property is a two storey detached house constructed with a natural slate roof and the external walls are formed from a brickwork inner leaf, with a painted stone outer leaf to the original section of the house. It has a rear addition constructed of solid brick work. The property has a front garden which is accessible from Willesden Lane and the front door is located at a side entrance which is accessed from within the cemetery grounds. The house comprises two upstairs bedrooms with two ground floor reception rooms with a toilet and bathroom located adjacent to the ground floor kitchen. The property also has a separate ground floor toilet. The property has an out house and a side patio area.
- 3.4 Externally, the property is in poor condition and the costs associated with the external repair and maintenance that is needed to the building has been judged to be in the order of £140,000 plus fees and VAT. Work is also required to the internal parts.
- 3.5 Due to the fact that the East Lodge is a Grade II Listed Building it may restrict the type of purchaser who may be interested in buying it, due to the extent of the internal and external works that will need to be carried out on the property and the permissions and approvals needed for those works. This will mean that the sale price achieved may not be as substantial had the property been in a better condition. It is envisaged that it will be of interest to a particular type of purchaser who will be attracted to it, through careful marketing, due to the property's uniqueness and because of its historical significance, location and style of construction.
It is considered that the auction method of property disposal will be more effective in achieving the highest possible capital receipt for this sale than other methods of disposal, such as a tender or private treaty. The particular type of purchaser that may be interested in purchasing the property would only be aware of its availability to purchase through the specific marketing of an auction house, which has a wide ranging list of potentially interested parties throughout the country.
- 3.6 The freehold of the Paddington Cemetery was transferred from the Lord Mayor and Citizens of The City of Westminster to the Mayor and Burgesses of the London Borough of Brent on the 16th December 1985. At the time of the transfer of the freehold, a lease was granted by

Brent Council to the City of Westminster in respect of the East Lodge, for 125 years from the 16th December 1985.

- 3.7 The Charges Register contains a covenant that if the purchaser of the Paddington Cemetery, (i.e. The London Borough of Brent), disposes of the property or part of the property, (in this case the East Lodge), then the London Borough of Brent will have to pay the City of Westminster a half of the net profit of such a disposal, after deducting any capital debt in respect of capital expenditure by the Purchaser on the property or part thereof.
- 3.8 The boundary of the demise to be disposed of is bordered green on the lease plan, (please see Appendix 1). The Council is proposing to install a railing and plant shrub, as shown between points A, B and C on this enclosed lease plan, to separate the demise of the East Lodge from the rest of the Paddington Cemetery. As the property is located in the Paddington Cemetery Conservation Area and the East Lodge is a Grade II Listed Building, the Council is in the process of establishing whether formal permission is required, or whether certain statutory requirements are needed to be fulfilled for the implementation of these proposals.
- 3.9 It is therefore proposed to place this property into auction as soon as any required permissions or statutory requirements are implemented and the boundary railing and shrubbery has been installed.
- 3.10 The sale of this property will not affect the Council's right, or the general public's right of access to the cemetery. The long leasehold interest of the East Lodge will be subject to restrictive covenants in relation to the nature and the amount of vehicles that will be allowed to be parked in the cemetery and within the boundary of the East Lodge.

4.0 FINANCIAL IMPLICATIONS

- 4.1 It is anticipated that the sale will achieve a gross capital receipt in excess of £400,000, from which contractual payments to Westminster City Council must be deducted. The sale of this property is in line with the Corporate Strategy of selling surplus property to realise a capital receipt
- 4.2 The payment to the City of Westminster is based on 50% of the net profit after deducting any capital debt in respect of capital expenditure that has previously been spent on the property. The cost of installing the boundary railing and the planting of the shrubbery will also be deducted from the net profit that will be paid to the City of Westminster.
- 4.3 The net capital receipt retained by Brent Council is therefore likely to be of the order of £180,000.
- 4.4 It is proposed that an auction reserve price be agreed with the appointed auctioneer at a figure considered by the Assistant Director, Regeneration & Major Projects (Property & Asset Management) to reflect a realistic market value for the property.

- 4.5 Provision will be made from the sale proceeds for the disposal costs including Auctioneers commission, legal costs, and the administrative costs of Property and Asset Management.
- 4.6 The capital receipt generated from this sale will help meet the resource forecasts for this year's capital programme.

5.0 LEGAL IMPLICATIONS

- 5.1 The property is to be sold on a leasehold basis for a term of 999 years at a peppercorn rent.
- 5.2 Under Section 123 of the Local Government Act 1972 the Council has a general power to dispose of properties, including by way of the sale of the freehold or the grant of a lease. The essential condition is that the Council obtain, (unless it is a lease for 7 years or less), the best consideration that is reasonably obtainable.
- 5.3 Disposals on the open market by way of auction, after proper marketing, will satisfy this best consideration requirement.
- 5.4 The value of this property is in excess of the value of properties which can be sold under the delegated authority of the Assistant Director, Regeneration & Major Projects, (Property & Asset Management). As such the Executive needs to agree to this disposal before this can be undertaken.
- 5.5 A Covenant contained in the Transfer, dated 16th December 1985, requires the Council, in the event of the Council disposing of the East Lodge, to pay Westminster City Council one half of the net profit after deducting any outstanding capital debt in respect of capital expenditure by the Council on East Lodge.
- 5.6 In order to dispose of the East Lodge on a 999 year lease it is necessary to publish a notice of the proposed disposal in a local newspaper. The procedure to follow in order to bring this about is set out in Section 123 of the LGA 1972. Under Section 123(2A) of this Act, the Council cannot dispose of any land consisting of, or forming part of public open space unless, before disposing of the land, they cause notice of their intention to do so. The Council has to specify the land in question, to be advertised for two consecutive weeks in a newspaper circulating in the area in which the land is situated and allow 21 days for objections. The Council then has to consider any objections to the proposed disposal, which may be made.
- 5.7 If the East Lodge is in a consecrated area it will need to be deconsecrated prior to disposal. In that event the Council will apply to the Diocese for a Church faculty or consent to deconsecrate the land.

6.0 DIVERSITY IMPLICATIONS

- 6.1 Please see the attached Impact Needs/Requirement Assessment-

Equality Impact Assessment in Appendix 2.

7.0 STAFFING/ACCOMMODATION IMPLICATIONS

7.1 None.

8.0 BACKGROUND PAPERS

Papers held in Regeneration & Major Projects

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