



City of Westminster

Cabinet Member Report

Decision Maker:	Cllr David Boothroyd Cabinet Member for Finance & Council Reform
Date:	22 September 2022
Classification:	Part exempt. Appendix A contains information relating to an individual, and to the financial or business affairs of the Council
Title:	Disposal of a vacant property in NW1
Wards Affected:	Church Street
Policy Context:	This decision supports securing a valuable capital receipt that will support the Housing Revenue Account capital programme
Key Decision:	No
Financial Summary:	The capital receipt is a Housing Revenue Account receipt
Report of:	Director of Corporate Property

1. Executive Summary

- 1.1 The purpose of this report is to provide a recommendation to dispose of the Council's freehold interest in Lisson Cottages, NW1. Lisson Cottages is a Housing Revenue Account asset and forms part of a wider Council freehold title. It has been identified as surplus to the Council's service needs. Analysis has been undertaken and concluded that redevelopment by the Council is unviable. A full marketing exercise has been undertaken to ensure best value is achieved for the proposed disposal.

2. Recommendations

- 2.1 That Appendix A of this report be exempt from disclosure by virtue of the Local Government Act 1972, Schedule 12A, Part 1, paragraph 1 (in that it contains information relating to an individual) and also paragraph 3 (in that it refers to the financial or business affairs of others (including the authority holding that information)).
- 2.2 The Cabinet Member is recommended to delegate authority to the Director of Corporate Property, in consultation with the Executive Director of Finance and the Director of Law as appropriate, to approve the Council entering into any legal documents ancillary to or required to facilitate the disposal of the property.

3. Reasons for Decision

- 3.1 The disposal is recommended as the property has been deemed surplus to the Council's service needs and will provide ongoing revenue savings as well as a capital receipt to the Housing Revenue Account (HRA).

4. Background, including Policy Context

- 4.1 Lisson Cottages comprises grade II listed, former artisans' dwellings, built in 1855 and situated within the Lisson Grove conservation area. The property is landlocked, surrounded by 3 and 4 storey buildings with pedestrian access only, via a tunnel. The site does not benefit from a frontage to the highway, is overlooked to the front and rear elevations and the quality of daylight to the property is negatively impacted by surrounding, higher buildings.
- 4.2 The accommodation provides a measured net internal area of 392 m² (4,219 ft²) over the ground and first floors. There is a separate basement, which is unlit, unimproved and damp, with no internal access. The only entrance is by a set of external steps down to an alley, and a door at the rear of the building. The property has been vacant for some time, is in poor repair and has been partially gutted. It is not occupiable in its current condition.
- 4.3 Option analysis has been undertaken, including evaluation of whether Lisson Cottages should be developed by the Council for new homes. The conclusion was that there are very high risks associated with this option in terms of planning, costs, construction, and the appeal of the completed scheme.

Details of the marketing undertaken are enclosed in Appendix A of this report and are except from publication on the grounds that it contains information relating to an individual and information relating to the financial or business affairs of the Council.

Grant Funding

4.4 A Grant Funding agreement is in place for works to the property and the area immediately adjacent to it. The funding has been committed in line with the terms of the agreement in place and is intended to cover the following works:

1. Extension of mains with hydrant provision from Lisson Grove to outside the property
2. Installation of an automatic fire detection system/lighting
3. Potential installation of a fire sprinkler system.

Faithful and Gould are employed to oversee the implementation of the works and compliance with the Grant funding agreement.

The recommended offer is not conditional on transfer of the grant funding funds to the purchaser and the offer is not conditional on their completion.

5. Financial Implications

5.1 Following analysis, it was concluded that redevelopment of Lisson Cottages would not be attractive and that the achievable capital receipt from sale represents better value for money.

5.2 It is recommended that the highest offer of £1.225m is progressed. The offer is unconditional and not subject to finance.

5.3 The disposal of the property will deliver an occupational cost saving of £55,000 per annum in current running costs, avoid a capital liability in excess of £400,000 to enable basic occupation of the current dilapidated cottages and realise a gross capital receipt of £1.225m for the HRA.

5.4 This receipt will be pooled with all HRA capital receipts and will be available to support the HRA capital programme (effectively increasing the investment capacity of the HRA by £1.225m).

6. Legal Implications

6.1 Section 1 of the Localism Act 2011 gives local authorities a general power of competence whereby a local authority has power to do anything that individuals can generally do, provided it is not prohibited by other legislation.

6.2 It is noted in the report by the author that the property is held in the HRA. The Council has the power to dispose of properties held for housing purposes under section 32 of the Housing Act 1985 but requires the consent (general or

specific) of the Secretary of State before doing so. In respect of the proposed disposal, the Council can rely on the General Housing Consents 2013 (GHC 2013). Under the GHC 2013 at paragraph A3.1.1, a local authority may dispose of land for a consideration equal to its market value.

- 6.3 The report confirms the property is surplus to the Council's service needs, that a full and open marketing exercise has occurred and the offer made is equivalent to a disposal at market value (further details in exempt Appendix A of this report).
- 6.4 Lisson Cottages forms part of a freehold title owned by the City of Westminster. Therefore, this disposal will be a transfer of part of the freehold and shall be subject to any relevant rights and/or covenants the Council may wish to impose on the disposal. The Council shall require further legal advice on the terms of the disposal as part of the transaction.
- 6.5 There is an OPE Grant Funding Agreement dated 4 November 2021 associated with the property that is committed, and the Council must ensure that it has complied with the terms of that Agreement.

7. Carbon Impact

- 7.1 As the property is unused and not in operation, there is currently considered no carbon impact and nor would the proposed sale affect the Council's commitment to becoming a carbon neutral council by 2030 and a carbon neutral City by 2040.

8. Consultation

- 8.1 A briefing note explaining the reasons and details relating to the sale of the property was circulated to Ward Councillors in June 2022. Councillors confirmed agreement by way of email response with no other feedback received.

9. Equalities

- 9.1 The Equality Act 2010 requires public authorities to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations. The Council must further take into account its wider public sector equality duty under section 149 of the Equality Act 2010 when making decisions.
- 9.2 There are no direct equalities implications on this asset sale, and the report confirms that due consideration has been given in progressing the proposals.

**If you have any queries about this Report or wish to inspect any
of the Background Papers, please contact:**

Sarah-Jayne Steer ssteer@westminster.gov.uk

APPENDICES

Appendix A

BACKGROUND PAPERS

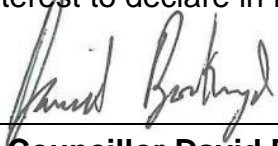
- N/A

For completion by the **Cabinet Member for Finance and Council Reform**

Declaration of Interest

I have no interest to declare in respect of this report

Signed:



Date: 22 September 2022

NAME:

Councillor David Boothroyd

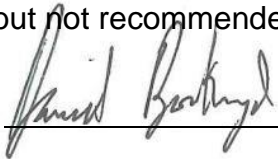
State nature of interest if any:

(N.B: If you have an interest, you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled

Disposal of a vacant property in NW1 and reject any alternative options which are referred to but not recommended.

Signed:



Cabinet Member for Cabinet Member for Finance and Council Reform

22 September 2022

Date:

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, City Treasurer and, if there are resources implications, the Director of People Services (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2)

your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.