

REQUEST FOR DMPC DECISION – DMPCD 2015-50**Title: REDCLIFFE ROAD – LONG LEASEHOLD DISPOSAL – FINAL TERMS****Executive Summary:**

MOPAC approved the in principal disposal of this site on 26 March 2015. This paper requests approval to the final terms and conditions of the negotiated sale.

Recommendation:

The DMPC is asked to approve the disposal of a long leasehold interest in a property in Redcliffe Road, Kensington SW10 at the terms and conditions set out in Part 2

Deputy Mayor for Policing and Crime

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct for elected Members of the Authority. Any such interests are recorded below.

The above request has my approval.

Signature**Date**

5/5/2015

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC

Decision required – supporting report

1. Introduction and background

- 1.1 The property in Redcliffe Rd, Kensington SW10 is held on a long leasehold interest. The site is surplus to requirements. DMPC approved the in principle disposal of the site via an off market sale process on 26 March 2015 [DMPCD 2015 026].

2 Issues for consideration

- 2.1 Negotiations have taken place and the proposed terms and condition are set out in Part 2.

3 Financial Comments

- 3.1 If approved the sale proceeds will support the 2015-16 capital programme.
- 3.2 Annual revenue costs of £3k will be saved arising from the disposal of this site. This will contribute to the Corporate Real Estate savings target of £59m.

4 Legal Comments

- 4.1 The MOPAC has the power to dispose of surplus properties (including land) under paragraph 7 (2) (b) of Schedule 3 of the Police Reform and Social Responsibility Act 2011 ("the Act"). Further, paragraph 7(1) of Schedule 3 of the Act allows the MOPAC to do anything which is calculated to facilitate or is conducive or incidental to the exercise of the functions of the office.
- 4.2 The report confirms the property is surplus to requirements and the proposed method of sale will secure value for money and achieve the best return in all of the circumstances.
- 4.3 This report confirms the capital receipt from the property disposal will assist MOPAC securing the maintenance of the Metropolitan Police Service, and ensure that it is efficient and effective, as required under Section 3(6) of the Act.
- 4.4 The Deputy Mayor for Policing and Crime may under the MOPAC Scheme of Consent and Delegation approve all disposals of properties with an estimated value of £1 million or above on a case by case basis before the property is marketed and /or dispose of property that is felt to be of an exceptional nature because of the particular sensitivity or because of a particular public interest element. The report is presented to the DMPC for approval due to the proposed method of disposal.

5. Equality Comments

- 5.1 No equality and diversity impacts have been identified

6. Background/supporting papers

- 6.1 Appendix 1

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the MOPAC website within 1 working day of approval. Any facts/advice/recommendations that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. Deferment is only applicable where release before that date would compromise the implementation of the decision being approved.

Is the publication of **this** form to be deferred? NO

If yes, for what reason:

Until what date (if known):

Is there a **part 2** form – YES

If yes, for what reason: Commercial confidentiality

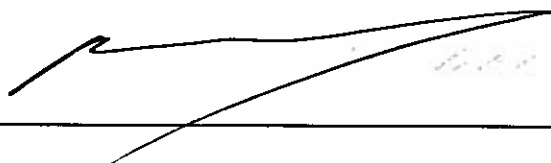
ORIGINATING OFFICER DECLARATION:

| | Tick to confirm statement (✓) |
|--|-------------------------------|
| Head of Unit: Annabel Cowell has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities. | ✓ |
| Legal Advice: The Legal team have been consulted on this proposal. | ✓ |
| Financial Advice: The Chief Finance Officer has been consulted on this proposal. | ✓ |
| Equalities Advice: The Equality and Diversity team have been consulted on this proposal on behalf of the Head of Equalities and Diversity. | ✓ |

OFFICER APPROVAL**Chief Operating Officer**

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature



Date 5/5/2015

**REQUEST FOR APPROVAL TO DISPOSE OF
THE LONG LEASEHOLD INTEREST IN A RESIDENTIAL FLAT**

Report by Director of Property Services on behalf of the Commissioner

Summary

This report requests the Deputy Mayor For Policing and Crime's (DMPC) approval to the disposal of MOPAC's long leasehold interest in a residential property in Redcliffe Road, Kensington SW10 following an off market negotiation.

A RECOMMENDATION – That the DMPC:

- 1. In accordance with the current MOPAC Scheme of Consent & Delegation approve the disposal of the long leasehold interest in the property in Redcliffe Road, Kensington SW10 at the value and to the purchaser identified in the Exempt Appendices following an off market negotiation process;**
- 2. Note the disposal is consistent with the DMPC Decision 2015-034 of 26 March 2015 to dispose of the property in principle via an off market transaction;**
- 3. Note that the capital receipts from the disposal will support the 2015/16 Capital Programme.**

B SUPPORTING INFORMATION

- The property in Redcliffe Road is held by MOPAC on a 125 year lease from June 1999. The MOPAC Residential Estate Strategy includes the principle that up to 200 units will be retained within the MOPAC estate for operational and welfare needs. All surplus residential assets be released in accordance with best practice and in terms of asset management planning for the operational police estate. The property referred to in this paper is surplus to operational needs.
- Following the Deputy Mayor for Policing and Crime's Decision 2015-034 of 26 March 2015 Knight Frank as agents acting on behalf of MOPAC commenced off market negotiation for the sale of MOPAC's leasehold interest.
- Following a period of negotiation Knight Frank advise that acceptable terms have provisionally been agreed and recommend acceptance of the terms as outlined in **Appendix 2 (Exempt)**.
- With external advice from Knight Frank, Property Services recommend the DMPC approve the sale to the party and on the terms identified in the **Appendix 2 (Exempt)**.

C OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS

Equality and Diversity Impact

1. Following an Initial Impact Assessment screening of MOPAC's residential estate, no Equality and Diversity impacts have been identified. Residential accommodation is provided to those officers in occupation on the basis of operational needs or on welfare grounds. There is no immediate operational requirement to retain this property within the MOPAC estate.
2. Any future residential redevelopment will be subject to the town planning requirements of the Royal Borough of Kensington and Chelsea, the GLA and necessary Town Planning Acts.

Financial Implications

Capital

3. If approved, the sale proceeds will support the 2015-16 capital programme. The current receipts budget for 2015/16 is £196m. This is to be through the disposal of operational and residential assets, primarily real estate that is surplus to operational requirements.

Revenue

4. The revenue costs related to the maintenance of the property are £3k per annum. This figure does not include Council Tax charges which would have previously been met by the occupational tenant. Maintenance/repair works have been kept to a minimum.

Value for Money

5. The property is surplus to operational and welfare requirements. A disposal as outlined in Exempt Appendix 1 offers opportunity to maximise the value that can be released from this leasehold interest.

Legal Implications

6. The MOPAC has the power to dispose of surplus properties (including land) under paragraph 7 (2) (b) of Schedule 3 of the Police Reform and Social Responsibility Act 2011 ("the Act"). Further, paragraph 7(1) of Schedule 3 of the Act allows the MOPAC to do anything which is calculated to facilitate or is conducive or incidental to the exercise of the functions of the office.
7. The report confirms the property is surplus to requirements and the proposed method of sale will secure value for money and achieve the best return in all of the circumstances.
8. This report confirms the capital receipt from the property disposal will assist MOPAC securing the maintenance of the Metropolitan Police Service, and ensure that it is efficient and effective, as required under Section 3(6) of the Act.
9. The Deputy Mayor for Policing and Crime may under the MOPAC Scheme of Consent and Delegation approve all disposals of properties with an estimated value of £1 million or above on a case by case basis before the property is marketed and /or dispose of property that is felt to be of an exceptional nature because of the particular sensitivity or because of a particular public interest element. The report is presented to the DMPC for approval due to the method of disposal.

10. On the basis of the information contained within this report and discussions with Property Services, DLS are supportive of the proposed recommendations.
11. The disposals will be subject to contract and external lawyers will be instructed through MetLaw (DLS) to complete the conveyance.

Environmental Implications

| | Higher | Lower | No Impact | Mitigation/management of any higher impact |
|--|--------|-------|-----------|--|
| Level of energy use and associated carbon dioxide emissions | | | ✓ | Although the building referred to herein is surplus to requirements, its residential use means that the utilities are paid for by the tenant and the emissions are therefore not included within the MPS footprint. The disposal will have no impact on the overall carbon emissions of the MPS. The utilities will be paid for by the MPS in a small number of cases. |
| Level of water consumption | | | ✓ | Although the building referred to herein is surplus to requirements, its residential use means that the utilities are paid for by the tenant and the consumption is therefore not included within the MPS total use. The disposal will have no impact on the overall water consumption of the MPS. The utilities will be paid for by the MPS in a small number of cases. |
| Level of waste generation/waste requiring disposal | | | ✓ | These building is currently vacant and there is no waste. |
| Level of travel and transport and associated emissions | | ✓ | | These building is being disposed of, regular inspections for insurance purposes will cease. |
| Raw material use and finite resources (use of recycled materials and | | | ✓ | Properties will be disposed of. |

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|---------------------------|--|--|--|--|
| sustainable alternatives) | | | | |
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Risk Implications

13. The off market method of sale as outlined in Exempt Appendix 1 presents opportunity for achieving the best capital value. Should for any reason the off market sale fail to complete options for the property to be openly marketed remain.

Report author: Andrew Denniss, Asset Manager, Property Services

ABBREVIATIONS AND ACRONYMS:

DMPC - Deputy Mayor for Policing And Crime
MOPAC - Mayor's Office for Policing And Crime
MPS - Metropolitan Police Service