

**REQUEST FOR DMPC DECISION – DMPCD 2015 34**

**Title: REDCLIFFE ROAD – LONG LEASEHOLD DISPOSAL**

**Executive Summary:**

MOPAC is asked to approve the disposal of a long leasehold interest in a residential property in Redcliffe Road, Kensington, SW10. Based on external property consultancy advice, the proposal is that the disposal is via a off market negotiation for the reasons set out in Part 2.

**Recommendation:**

The DMPC is asked to approve the

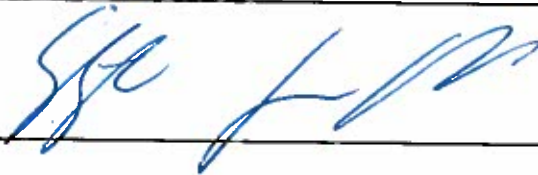
1. in principle disposal of a long leasehold interest in a property in Redcliffe Road, Kensington SW10
2. progression of the disposal by way of an off market negotiation in the manner and for the reasons set out in Part 2

**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**

26/3/15

## **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.

#### **2 Issues for consideration**

- 2.1 In accordance with the current MOPAC Scheme of Consent and Delegation the Deputy Mayor for Policing and Crime (DMPC) is requested to approve the in principle disposal of the long leasehold interest in the site as 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.
- 4.5 Recommendation 2 of this report confirms a further report will be presented to the MOPAC for final approval of the terms for 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 of the bids made by the bidders and the subsequent transaction

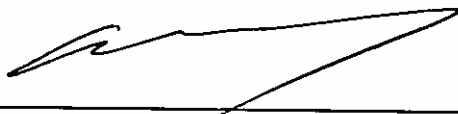
**ORIGINATING OFFICER DECLARATION:**

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

26/3/15



# **MAYOR OF LONDON**

## **OFFICE FOR POLICING AND CRIME**

### **REQUEST FOR APPROVAL TO DISPOSE OF THE LONG LEASHOLD 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 in principle to the disposal of MOPAC's long leasehold interest in a residential property in Redcliffe Road, Kensington SW10 and to progress the disposal as an off market transaction.

#### **A RECOMMENDATION – That the DMPC:**

1. Approve in principle the disposal of the long leasehold interest in the property in Redcliffe Road, Kensington SW10 and progressed by way of an off market transaction in the manner and for the reasons identified in Exempt Appendix 2;
2. Note that agreement to the sale at the value negotiated will be subject to further MOPAC approval;
3. Note that the capital receipt from the proposed disposal will support the 2015/16 Capital Programme.

#### **B SUPPORTING INFORMATION**

1. 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.
2. Exempt Appendix 2 provides further detail in regard to the property. Based on advice from MOPAC's external property consultants and the Property Services' Team, it is proposed to dispose of the property in an off market transaction.

## **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 £200m. 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 2 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 proposed method of disposal.
10. Recommendation 2 of this report confirms a further report will be presented to the MOPAC for final approval of the terms for disposal. ,.
11. On the basis of the information contained within this report and discussions with Property Services, DLS are supportive of the proposed recommendations.
12. 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 sustainable alternatives)			✓	Properties will be disposed of.

### Risk Implications

13. The off market method of sale as outlined in Exempt Appendix 2 presents opportunity for achieving the best capital value. Should off market negotiations fail to achieve acceptable terms option for the property to be openly marketed remain. There is minimal risk to MOPAC in progressing with the method of sale as proposed.

**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