



Report to:	Strategy and Resources Committee	Date:	28 September 2015
Report title:	Asset Management Report - Options for Future Use of Wallington Public Hall and rear Car park site		
Report from:	Gerald Almeroth, Strategic Director - Resources		
Ward/Areas affected:	Wallington South		
Chair of Committee/Lead Member:	Councillor Ruth Dombey, Leader of the Council Councillor Simon Wales, Deputy Leader of the Council		
Author(s)/Contact Number(s):	Alex Fitzgerald, Head of Asset Management 020 8770 5148		
Corporate Plan Priorities:	<ul style="list-style-type: none"> • A Smart Council 		
Open/Exempt:	Appendix B is exempt on the basis of Paragraph 3, Schedule 12A of the Local Government Act 1972		
Signed:		Date:	16 September 2015

1. Summary

- 1.1 The Strategy & Resources Committee agreed in March 2013 that a Corporate Buildings Utilisation Implementation (BUI) Board be set up to review options for the future use of surplus and under-utilised council buildings.
- 1.2 This report deals with the proposed future use of Wallington Public Hall and rear Car Park site. It recommends that this property is added to the Council's Disposals and Appropriations Programme in preparation for redevelopment by the Council's Development Company for residential use.

2. Recommendations

- 2.1 The Strategy and Resources Committee is recommended :
 - a) To declare Wallington Hall and rear car park surplus to Council requirements subject to the retention of 40 parking spaces to meet current and future demand.
 - b) That the preferred option for the future use of the Wallington Town Hall and Car park is redeveloping the site for residential use by the Council's Development Company.

3. Background

- 3.1 Environment & Neighbourhoods Committee agreed on 4 September 2014 to close Wallington Hall with effect from 31 March 2015 and this decision was ratified at the Council meeting of 3 November 2014.

- 3.2 A further report – Wallington Public Hall Car Park – Options is being considered by the Environment & Neighbourhoods Committee on 17 September 2015. This recommends the closure of the existing car park to the rear of the Hall but with the provision for the retention of 40 spaces to meet current and future demand.
- 3.3 Strategy & Resources Committee agreed in March 2013 that a Buildings Utilisation Implementation (BUI) Board be set up to review surplus and under-utilised council buildings and to recommend future proposals for them. This is done in line with the Council's overall Corporate Asset Management Strategy.
- 3.4 The Buildings Utilisation Options Framework committed the Council to the principle of using a comprehensive, objective and transparent process to guide decision-making on the future use of surplus or underutilised properties.
- 3.5 The Framework takes into account and allows a high-level comparison of different options for the future use of properties using a consistent methodology and evaluation criteria.
- 3.6 The scoring that results from the appraisal is designed to provide guidance for the decision making process. It does not purport to be a precise scientific assessment that precludes the exercise of judgement. However, the consistency of approach in evaluating each option and the risk factors attached to the accuracy of the raw data used for the analysis allows for the evaluation to properly inform recommendations made by the BUI Board. It is chaired by the Strategic Director – Resources and meets on a regular two-monthly cycle.
- 3.7 The site has been taken through the process set out in the Buildings Utilisations Framework and review process and the recommended options from the review are stated in this report.

4. Issues

- 4.1 The property is a 1930's purpose built public hall with stage and ancillary bar and kitchens. There are also 2 self contained lock up shops to the east and west sides of the building. The car park to the rear provides short/long stay pay and display car parking with 82 spaces. The overall total site area is 0.54Ha/1.34 acres.
- 4.2 Five options for the future use of this site were considered by the Board following analysis using the framework. Others were discounted at an earlier stage as not being viable including refurbishment of the building.
- 4.3 One of the options initially explored in detail was the potential to redevelop the site as a new permanent site the Carew Academy special school. The work done in developing this option included producing initial schematic/modelling proposals that would enable a transfer of all the current provision at Carew Manor to this site. This provided an idea of the likely size and nature of the development required in order to deliver a suitable educational environment to replace the existing school.
- 4.4 This site is enclosed with (predominantly) surrounding residential properties. With a likely floor area requirement of between 4,000- 4,500m², designing a fit for purpose building that can respond to the interrelationship issues with existing properties at site boundaries is challenging.



These include issues of overlooking (to and from the possible school), outlook of existing residential / non-residential properties, separation distances and density and massing. Early assessments of the site suggested a likely achievable floor area on this site of 3,243m² (based on a residential scheme) which is unlikely to be sufficient to relocate the Carew school in its entirety and this would not deal with the external areas that the school would likely need. This would consequently require a solution where only some of Carew Manor's provision is transferred to the Wallington Hall site (with the remainder to be relocated to an existing or additional satellite site).

- 4.5 The financial and operational viability of use of this site as the new site for the Carew Academy would be seriously eroded by a split site option, consequently it was concluded that this option should not be progressed further.
- 4.6 The extract below is taken from the overall summary page of the options appraisal for this review. This represents the relative scoring of the final four options; Option 1 (Do nothing) is a standard option against which all other options are measured as any option that does not outscore the "Do-nothing" approach suggests negative rather than positive benefits from undertaking it.
- 4.7 The scores for the "weighted total score – average scenario" reflect the actual data entered into the model and as such represents the best estimate of the actual outcome of the option being evaluated.

	Option 1	Option 2	Option 3	Option 4
	Do Nothing	Open Market Disposal	Redevelop through Dev Co who will rent – LA Appraisal	Redevelop through Dev Co who will sell – LA Appraisal
WEIGHTED TOTAL SCORE AVERAGE SCENARIO	15.00	45.81	66.79	75.00

- 4.8 As part of the options appraisal framework, consideration was taken into account of the potential capital receipt from an open market disposal which is estimated at [1/para3]. This option was assessed allowing for the retention of 40 parking spaces to meet current and future demand which was also a standard assumption across all the options.
- 4.9 The appraisal framework also takes an assumed 25 year period for comparison purposes over all the individual aspects of each option that are included. These cover all initial as well as the net benefit from the assumed capital receipt over that period. With the two DevCo options, the ongoing borrowing and running costs as well as either rental income or disposal receipt are included.



- 4.10 From these results, the option the BU Board is recommending is redevelopment by the DevCo for residential purposes. The exact mix of tenure within the development would be established at the next stage of the development which will involve the production of detailed proposals and scheme viability appraisal for approval. The DevCo option is based on a development that provides: 20 x 1 bed 2-person flats; 12 x 2 bed 4-person flats and; 2 x 3 bed 5-person flats and which may include a small retail element to the Stafford Road frontage.

5. Options Considered

- 5.1 Various other options were considered using the Options Appraisals framework and these were discounted following evaluation.

6. Impacts and Implications

Financial

- 6.1 Current assumptions about available capital resources include a sum of [2/para3] for the disposal of Wallington Hall, providing part of the funding for the current balanced capital programme. Options 2, 3 and 4 are estimated to achieve a capital receipt of [3/para3] as the assumptions for the two DevCo options include acquisition of the site at market value with payment to the Council's General Fund. This will result in a shortfall of [4/para3] in the available capital resources. The potential shortfall in resources for the capital programme will be reviewed as part of the preparation of the 2016/17 to 2019/20 programme.

Legal

- 6.2 Under Section 123 of the Local Government Act 1972 a Council has the power to dispose of land or property in any manner it wishes.
- 6.3 Section 123 of the Local Government Act 1972 requires the Council not to dispose of land or property for a consideration less than the best that can be reasonably be obtained, unless the Secretary of State consents to the disposal.
- 6.4 There will be specific legal implications for the property. Issues such as (without limitation) covenants on title, easements burdening the land, and rights of third parties, may complicate or prohibit disposal. Such issues will be identified as a result of a detailed analysis of the title deeds and documents relating to each site. This analysis will be undertaken in respect of any site declared surplus to requirements to the extent that such analysis has not already been completed.

Equality Impact Assessment

- 6.5 The Buildings Utilisation Options Framework incorporates a process of reviewing options for the future use of surplus and under-utilised council buildings designed to achieve a comprehensive, objective and transparent process to guide decision making on the future use of surplus or under-utilised properties.



- 6.6 It was originally developed in consultation with the project's Stakeholder Reference Group and this process will make decision making more open and transparent to the general public and involve Members in the process.
- 6.7 The proposal for this site to be used for residential development that is expected to include properties for letting. This would increase the supply of such accommodation in the Borough.

Risk

- 6.8 The site is currently vacant and occupied by Guardians on a temporary basis but the possibility of vandalism and holding costs will remain until its future is decided.

7. Appendices and Background Documents

Appendix Letter	Title
A	Site Plan
B	Schedule of Exempt Items (Restricted)

Background Documents
None

Audit Trail		
Version	Final	Date: 16 September 2015
Consultation with other officers		
Officer	Comments Sought	Comments checked by
Finance	Yes	Sue Hogg
Legal	Yes	Rowenna Warburton
Education	Yes	Kieran Holliday/Colin Stewart

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