

Asset Disposals Business Case

Name of Asset:

Goldcrest Youth and Community Centre, Fieldway, New Addington



WARD: New Addington North

**Ward Councilors contacted: Felicity Flynn - 18 November 2021
Kola Agboola – 18 November 2021**

Cabinet Member Approval and Date: 16 November 2021

ELT Approval and Date: 10 November 2021

Background

Until the start of the Pandemic this was an operational asset with two regular hirers. However, over this period the premises have been shut down and are currently not being utilised. With the completion of the new Fieldway Centre (approximately 1.2km away) it was always proposed that the Council based youth operations would be run out of the new premises where there is a dedicated youth services area. The two previous hirers have also been encouraged to hire space within the new facility once they return to full operation. Both have now fully vacated the premises and returned their keys and are aware that the site will no longer be available.

Proposed timing of the disposal:

- Commence Marketing in July 2021.
- Marketing period 3 months
- Completion of sale documents and legals 3 months
- Cabinet December 2021
- Exchange by March 2022 but delayed completion September 2022

Asset Declared Surplus:

The asset has not been previously declared surplus as it is still operational. However the premises are under utilised and a new facility has just been opened within about 1.2km. Closure of the facility has been discussed at CFE DLT on 19

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<p>January 2021 and it was agreed that further consideration was necessary before being able to approve the closure. CMT have agreed its inclusion with the cabinet paper as a potential closure.</p>
<p>Current Book value: £2,256,000 (this is high as it is based on the cost of replacing the asset rather than its market value).</p>
<p>Any Allocated Debt against Asset (amount): No</p>
<p>Any Planning Issues/Local Plan designation: The existing consent will fall within Use Class F2 which will mean that it has to be used for community use unless it can be demonstrated that there is no viable demand. There are no policy specific restrictions on the site or immediate area which is mixed residential with education and open space.</p>
<p>Method of disposal: <input type="checkbox"/> Formal Tender <input checked="" type="checkbox"/> Informal or Negotiated Tender <input type="checkbox"/> Public Auction <input type="checkbox"/> Private Treaty Sale <input type="checkbox"/> Other</p>
<p>Impact[s] / risks of the disposal – financial, reputational, political, operational, etc.</p> <p>Issues of service delivery will need to be overcome and whether existing users will travel to the new Fieldway Centre as the existing centre is in New Addington. Hirers could make use of the community facilities within the new leisure centre which is a similar distance (about 1km) or the Fieldway Centre. Both these facilities are new and offer much improved community facilities.</p> <p>Given these improved facilities it is felt that any objections can be managed.</p> <p>There is no need for formal consultation</p>
<p>Evidence of an independent valuation to show that best consideration is guaranteed?</p> <p>Gen 2 have undertaken a Red Book valuation and reported a value of £416,000</p>
<p>A market assessment by a suitably qualified agent?</p> <p>SHW have been appointed to market the property and have inspected and carried out a full market appraisal and report with marketing recommendations</p>
<p>Disposal options:</p> <p>It is suggested that the property is initially targeted to community groups as this is the most straightforward disposal route and will in any case be required if a change of use is to be considered at a later date. The property has also been more widely marketed to other users and developers. A good interest level has been received mainly from community groups and a “best and final” bids approach has been used</p>

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Financial case:

Revenue Savings:

Minimal expenditure on this site at the moment:

Rates £2,500

FM costs £12,500

Disposal will require relocation and some capital expenditure in addition to marketing costs (which can be capitalised against sale proceeds for up to 4% of capital receipt)

Anticipated capital receipt: £1,000,000

Recommended Bid £1,150,000 (unconditional but delayed completion)

Less marketing/legal costs **£ 15,000**

Cost of sales and any budgetary approval required:

£15,000

NB Assumed costs at 4% of sales receipt for legal and agents fees can be capitalised against sales receipt as “reasonable” costs – on smaller sales this will be exceeded due to minimum fees

Confirmation of deliverability of sale – where required. (For example, if staff, public or other consultations are required)

No statutory consultations required, but discussion with the service and hirers has taken place regarding their relocation.

Sign off [where required] by the relevant ELT director for the disposal of the asset, where there is no longer a service requirement:

Date: 19 January 2021