

Decision Maker: EXECUTIVE

Thursday 18 July 2024

Date: For pre-decision scrutiny by the Executive Resources and Contracts PDS Committee on Tuesday 16 July 2024

Decision Type: Urgent Executive Key

Title: BROMLEY CIVIC CENTRE - FREEHOLD DISPOSAL

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Chief Officer: Sara Bowrey
Director of Housing, Planning, Property and Regeneration

Ward: Bromley Town

1. REASON FOR THE REPORT

- 1.1 The report seeks authorisation to select a preferred purchaser following marketing of the Bromley Civic Centre, Stockwell Close, Bromley BR1 3UH.
- 1.2 The site is held freehold by the Council. Marketing of the freehold interest of the Civic Centre site was authorised by the Executive Committee on 30 November 2022 with the outcome of marketing exercise to be reported to the Executive at its conclusion.

2. RECOMMENDATION(S)

For Members of the Executive Committee to note and approve the following recommendations:

- 2.1 Authorise acceptance of Offer B received for the Council's freehold interest and to proceed to completion with the transaction.
- 2.2 Authorise acceptance of Offer B with such other terms as set out in Part 2 of this report.
- 2.3 To delegate authority to Director of Housing, Planning and Regeneration to finalise terms of sale to proceed with the transaction and conclude the disposal.

- 2.4 To delegate authority to the Director of Housing, Planning and Regeneration to accept Offer C, formalise the terms and complete the transaction, should Offer B fail to complete.
- 2.5 The legal and professional costs associated with completing the transaction are to be funded from the capital receipt received.
- 2.6 Details of the commercial terms of the offer being recommended for freehold disposal are commercially sensitive and therefore included within Part 2 of this report.

Impact on Vulnerable Adults and Children

1. Summary of Impact: N/A
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Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Excellent Council
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Financial

1. Cost of proposal:
 2. Ongoing costs: n/a
 3. Budget head/performance centre: n/a
 4. Total current budget for this head: n/a
 5. Source of funding: n/a
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Personnel

1. Number of staff (current and additional): Not applicable
 2. If from existing staff resources, number of staff hours: Not applicable
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Legal

1. Legal Requirement: Statutory Requirement
 2. Call-in: Applicable
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Procurement

1. Summary of Procurement Implications: Not applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Not Applicable
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

- 3.1 The Council seeks to dispose of the freehold interest in the Civic Centre campus site. The site extends to circa 6.74 acres (2.73 hectares) comprising the Bromley Civic Centre (including London Borough of Bromley's civic offices), Bromley Palace and associated car parking. The Bromley Civic Centre is made up of predominantly six main buildings (including Bromley Palace, the Stockwell Building, North Block, Rochester Block, Council Chamber and St Blaise) interconnected through various modern additions, collectively totalling an approximate 20,000 sqm / 215,000 sq. ft of existing gross internal area accommodation. The site excludes Bromley Palace Park, which is being retained under Council ownership. A copy of the marketing particulars can be found [here](#).
- 3.2 Marketing agents, Montagu Evans, were instructed by the Council in May 2023, with the marketing campaign inviting offers for the freehold interest, on an unconditional basis, going live late-July 2023. Marketing details were widely circulated via the agent to a longlist of developers, investors and potential owner-occupiers. Concurrently, an advert was published in the Estates Gazette along with a wider electronic mail out.
- 3.3 A subsequent call was made for 'Expressions of Interest' to be submitted by early November 2023 with subsequent rounds of bidding conducted in April May and June 2024.
- 3.4 Further details of the marketing campaign, offers, professional advice received, and commercial terms recommended for the freehold disposal are commercially sensitive and therefore included within Part 2 of this report.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 4.1 There is not considered to be an impact on Vulnerable Adults and Children as a consequence of this decision.

5. POLICY IMPLICATIONS

Not Applicable

6. FINANCIAL IMPLICATIONS

- 6.1 The proposed disposal of the Council's freehold interests would result in capital receipt as set out in the Part 2 report.

7. PERSONNEL IMPLICATIONS

Not Applicable

8. LEGAL IMPLICATIONS

Property Disposals - Local Authority Powers

The Council has power to dispose of the Civic Centre pursuant to the below mentioned statutes:

8.1(a) s.111 Local Government Act 1972

The Council has power to do anything calculated to facilitate or is conducive or incidental to the discharge of any of its functions.

- 8.1(b) The intended proposal to dispose in this report would be effected pursuant to that statutory power as well as pursuant to the Localism Act 2011, the General Power of Competence.

8.1(c) Section 123 of The Local Government Act 1972

8.1.1 If the intended proposal to dispose were to proceed, the Council pursuant to s.123 of the Local Government Act 1972 must dispose of the land for the best consideration that can reasonably be obtained (usually based on open market value).

8.1.2 s.123 of the Local Government Act 1972 confers power to the Secretary of State to give general consent for the purposes of land disposals by local authorities carried out under their powers in Part 7 of the 1972 Act.

8.1.3 The Local Government Act 1972, General Disposal Consent 2003 removes the requirement for local authorities to seek specific consent from the Secretary of State for any disposal of land where the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the well-being criteria in the Local Government Act 2000:

- a) the promotion or improvement of economic well-being;
- b) the promotion or improvement of social well-being;
- c) the promotion or improvement of environmental well-being; and the “undervalue” (i.e. the difference between the unrestricted value of the interest to be disposed of and the consideration accepted) is £2,000,000 or less.

8.1.4 If specific consent is required from the Secretary of State, applications for specific consent should be sent to the Secretary of State and include the following information:

- a) Written description of the land and buildings, the location.
- b) Written description of how the land is currently held by the Council;
- c) Details of any leases, encumbrances such as easements.
- d) Summary of the proposed disposal/transaction.

8.1.5 The Council’s in-house and external surveyors have confirmed in paragraph 10 below that the proposed disposal will comply with the best value consideration required by s123 of the Local Government Act 1972.

9. PROCUREMENT IMPLICATIONS

9.1 The Public Contracts Regulations 2015 set out several exemptions to the relevant procurement regulations. In this case, Clause 10 (1) (a) applies in which the regulations do not apply to ‘acquisition...of land, existing buildings...or which concern interests in or rights over any of them’.

9.2 Therefore, it is presumed that there are no procurement implications relevant to this report, subject to legal advice that the process for marketing and disposal follows the exemptions within the Regulations.

10. PROPERTY COMMENTS

10.1 Detailed in the Part 2 report.

11. REGENERATION COMMENTS

11.1 Detailed in the Part 2 report.

Non-Applicable Sections:	HR and Procurement
Background Documents: (Access via Contact Officer)	