

From: Nicholas.Holgate@rbkc.gov.uk [mailto:Nicholas.Holgate@rbkc.gov.uk]

Sent: 13 April 2016 12:20

To: robatkinson777@hotmail.co.uk

Cc: Cllr.Blakeman@rbkc.gov.uk; Cllr.Press@rbkc.com; Richard.Egan@rbkc.gov.uk; Jennifer.Muller@rbkc.gov.uk; Tony.Redpath@rbkc.gov.uk; Jacqui.Hird@rbkc.gov.uk

Subject: RE: Disregard of Scrutiny Concerns & Duties

Dear Cllr Atkinson,

Thank you for your e-mail below. Cllr Blakeman will have seen a reply I sent Mr Daffarn, who raised similar concerns on 7 March. On process, I believe the Scrutiny Steering Group is taking a paper from Mrs Hird; she will kindly ask them whether it can be shared with you too – though of course Cllr Mason will see it in any case.

Your concerns include: whether and how we can demonstrate we have obtained best value; whether the library should be retained in Council use even if it is not to continue as a library; and the role of and respect paid to scrutiny.

Best value

As I said in my reply to Mr Daffarn, the agent employed by the Council has been involved in marketing numerous D class units in the vicinity and as such is very well placed to provide advice in relation to the letting of the library space.

While the existing North Kensington library is a prominent period building, there are significant limitations to its effective use.

- There is a lack of external space for D1 educational use as an independent unit;
- the raised ground floor hinders alternative retail uses;
- the potential for development of the site is limited due to its Grade II listing.
- The availability of the building to a lessee is uncertain, as it depends on the delivery of the new library in Lancaster Road.

All these factors are relevant to the valuation of the site.

As you know, there is a requirement under Section 123 of the Local Government Act 1972 for Councils not to dispose of land for a consideration less than the best that can reasonably be obtained. For this reason, the Council instructed its agent to carry out a Royal Institute of Chartered Surveyors (RICS) Red Book valuation of the asset.

Our agent advised that Notting Hill Prep (NHP) should be regarded as a ‘special purchaser’ as it is the adjoining tenant. The rental the Council could expect from them would be significantly higher than the Red Book valuation as NHP gains from their proximity to their school site and they have a pressing need for additional space. Through negotiation, the rent was eventually agreed at a substantial premium to the RICS valuation to reflect NHP’s position. There were no other ‘special purchasers’ who might have offered more.

In addition to the rent being significantly above market value, a one year rent free period was agreed. It is not uncommon to set rent free periods of two years for leases exceeding 15 years. NHP have also agreed annual rent increases linked to the Retail Prices Index on the agreed rent up the date the lease is granted to them, when the new library is completed.

For these various reasons, and relying on professional advice, the Council is content that best value has been achieved.

The extent of the new library and retaining the current building

Residents may be re-assured as to the Council’s intention to improve the library service in the area: the new building will be a large, new modern community facility that will provide the following across four floors: the Library; a new youth club; some D class use – occupier to be determined; and an all-purpose Multi-Use Games Area (MUGA) play facility.

Each use will have its own entrance; the premises will be constructed to the newest specification and the acoustic treatment will avoid transfer of noise between floors. In terms of the new library, it is envisaged from early designs that it will have considerably more space across a single floor than the existing Library that occupies space over multiple floors.

On retaining the current building for public use, I believe the limitations listed above are relevant considerations; and as with the lease of the Isaac Newton Centre, the Council has to balance the need for sources of recurrent funding with the direct use of its property assets.

Transparency

The Council’s intentions have been made clear in various ways:

- a paper to the Housing and Property Scrutiny Committee in May 2015 on its intention to lease the old library;
- similarly, on 14 May 2015 a decision was entered onto the Forward Plan under reference 04552/15/K/AB: Provision of New North Kensington Library and Youth Centre Redevelopment at Lancaster Road Youth Centre and Isaac Newton Centre Site 128A and 108 Lancaster Road W11
- on 11 June, a report to Cabinet: Provision of New North Kensington Library and Youth Centre Redevelopment at Lancaster Road Youth Centre and Isaac Newton Centre Site 128A and 108 Lancaster Road W11
- on 22 September 2015, a decision entered onto the Forward Plan under reference 04651/15/K/AB: Approval to Enter into Agreement to Lease and Lease for WIC and North Kensington Library
- on 5 November 2015, notice of:
- 19 November Cabinet, Approval to Enter into Agreement to Lease and Lease for WIC and North Kensington Library.

Given the above, the Council is content that it has been transparent throughout: but as I note above, scrutiny committee chairmen have the chance to review this shortly.

Nicholas Holgate

Town Clerk

020 7361 2299 (Shared services)

020 7361 2384 (Corporate and sovereign services)