

Committee(s)	Dated:
Epping Forest and Commons Committee	8 March 2021
Subject: Letting of the Keepers Cottage, Kenley	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	5, 10, 11, 12
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Colin Buttery, Director of Open Spaces	For Decision
Report author: Gerry Kiefer, Directorate Business Manager	

Summary

Across the Open Spaces Charities, a number of staff live within residential lodges 'for the better performance of their duties'. Recent minor reorganisations across The Commons have resulted in a reduction in the residential establishment of 1 Ranger post and therefore, one lodge is currently not needed as residential staff accommodation. The property which is on Kenley Lane belongs to the Coulsdon and Other Commons Charity and as such cannot be declared surplus for disposal.

The City of London Corporation (Open Spaces) Act 2018 enables buildings to be let where they are no longer required for the management of the open space. It is proposed that the Kenley lodge is let as a residential Assured Shorthold Tenancy (AST) . The income from such letting will be retained by the Charity and contribute towards the 12% reduction in the 2021/22 budget.

Recommendation(s)

It is recommended that:

- Members agree to the letting of the Keepers Cottage, Kenley Lane, Kenley., as per option 1, paragraph 16.

Main Report

Background

1. The Open Spaces Department requires employees in certain roles to reside in residential accommodation on site 'for the better performance of their duties' and to provide an out-of-hours callout service.
2. In 2017 The Commons implemented a residential lodge policy which identified 23 staff were required to provide an out-of-hours callout service. This made use of

20 residential lodges across the three charities. In the intervening years several staff have left, and operational teams have been reorganised to improve effectiveness. More recently the recruitment moratorium has seen posts filled only on fixed term contracts or left vacant to provide flexibility as the Target Operating Model is implemented. Consequently, only 19 lodges are currently now required to be occupied by staff for the better performance of their duties.

3. Standing Order (SO) 56 (formerly SO55) requires Committees to consider the effective and efficient use of all operational property assets. An operational asset is defined as *properties within the day to day control of committees that are held primarily for the provision of operational services by or on behalf of the City of London.*
4. An Operational Property Review was undertaken by the City Surveyor and Chamberlains in 2015. The Keepers Cottage, Kenley Lane (a residential lodge at Kenley Common) was one of the properties looked at as part of the review. The review highlighted that the land was held subject to the provisions of the Corporation of London (Open Spaces) Act 1878 and hence there is an express prohibition on disposal. The property is an asset of the Coulsdon and Other Commons charity (reg no. 232989) and is therefore protected under Charity law.
5. Under section 6 of the City of London Corporation (Open Spaces) Act 2018, it is now possible to let out buildings on the open spaces that are no longer required for recreational or management purposes, including empty lodges, subject to safeguards to ensure that the amenity of the open space is protected.

Current Position

6. In 2019, three Rangers who worked at City Commons left the City's employment triggering a review of that team's structure. The outcome was that the Keepers Cottage, Kenley Lane, located at the entrance of Kenley Common (see map appendix 1) was not needed as a staff residential lodge and would remain vacant pending future changes to operational need with the potential to revert to operational residency if and when required. As such the Keepers Cottage, Kenley Lane is not surplus to operational need and does not need consideration by your committee under Standing Order 56.
7. Empty properties lack the benefits of occupation regarding heating, cleaning, ventilation, routine maintenance and security, and while they are not occupied their condition continues to decline. Council tax and utilities for empty properties are met by local risk and the City Corporation is regularly challenged by the relevant local authorities to return them to use through the Empty Property Notification Scheme.
8. The Keepers Cottage, Kenley Lane is a detached, three bedroomed property with conservatory and approx. ¼ acre of surrounding garden. Outbuildings include garaging and shed with unfettered access to the highway. It is believed that this could be an attractive property to let for residential use, whilst not required operationally.

9. Epping Forest and West Ham Park currently let several lodges on AST terms using local letting and management agents.
10. As an asset of the Coulsdon and Other Commons charity, any rental income generated from the letting of the Keepers Cottage belongs to that charity.
11. The 2021/2022 budget for The Commons has been reduced by 12%, as reported to this Committee in January 2021. Recognising the impact that this will have on services, the Commons identified in the 2021/22 Business plan that they will put an emphasis on income generation activities to offset reductions in expenditure.

Proposals

12. The Keepers Cottage, Kenley Lane, Kenley is not currently required for residential accommodation for the better performance of staff duties. It is proposed that this property is let as a residential property on an AST, noting the restrictive covenant (see paragraph 22). This will provide a sustainable income stream towards the expenditure costs of Coulsdon and Other Commons Charity. This approach retains flexibility for longer term use of the lodge by staff if required. A brief market test of likely rental income suggests approx. £1,500 per month.
13. Officers from The Commons will work with City Surveyors to determine the appropriate letting approach and valuation. Officers will undertake a quote exercise to ensure the external agent used, offers the best overall value for the Charity.
14. As tenants will require a quick turnaround in addressing emergency repairs and maintenance issues, it is proposed that the emergency repairs and maintenance of this lodge is removed from the City Surveyors responsibility whilst this property is let on an AST.
15. The day to day management of the property will be transferred to the local letting agent, via a full management contract. Under such an arrangement any emergency maintenance or repair requirements are addressed to the Agent for actioning. Associated costs are then recharged to local risk budgets or deducted from rent payments. The Agent's contract will also include future inspections and testing (e.g. gas inspections etc).

Options

16. The options available to your Committee are:

- **Option 1** - To offer the Keepers Cottage, Kenley Lane, Kenley on the open market for residential use on the basis of an Assured Shorthold Tenancy through a letting agency. **This option is recommended.**
- **Option 2** - To keep the lodge empty until it may be required again for staff accommodation in the future. **This option is not recommended.**

Corporate & Strategic Implications

Corporate Strategy 2018 – 2023

17. The letting of a vacant property will help address the following two Corporate Plan strategic aims and four outcomes:

Support a thriving economy

- Businesses are trusted and socially and environmentally friendly

Shape outstanding environments

- We inspire enterprise, excellence, creativity and collaboration
- We have clean air, land and water and a thriving and sustainable natural environment
- Our spaces are secure, resilient and well maintained

Open Spaces Business Plan

18. The letting of the lodge will also help achieve the Department's top line objectives and outcomes

Business practices are responsible and sustainable.

- ✧ Our practices are financially, socially and environmentally sustainable

Financial implications

19. Is it anticipated that the letting of the lodge will generate an income to the charity of approx. £18,000 per annum less agency fees and repairs and maintenance costs This additional income will contribute towards the 12% (£189,000) budget reduction.
20. The property requires minor re-decoration to bring it to a lettable standard. In order to be let it will also require safety tests on utilities. An Energy Performance Certificate has already been obtained. These and other necessary costs will be met from local risk budgets.

Legal implications

21. Land acquired under the Corporation of London (Open Spaces) Act 1878 is to be held in perpetuity and there is an express prohibition on alienation. However, under section 6 of the City of London Corporation (Open Spaces) Act 2018, where any building held by the Corporation for purposes connected with the management of an open space or its enjoyment by the public is, in the opinion of the Corporation, no longer required for those purposes, the Corporation may let the building for any use that will not cause material injury to the amenity of the open space. A lease may be for any period not exceeding 15 years or, where there are exceptional circumstances, 21 years. Part II of the Landlord and Tenant Act 1954 (which provides security of tenure for commercial tenancies) and section 5 of the Housing Act 1988 (which provides security of tenure for assured tenancies) do not apply.

22. There is a restrictive covenant in relation to this property that prohibits any trade or business and that requires the land and buildings to be used solely for private residential or professional purposes.
23. Given that the Corporation is acting under statutory authority, the provisions of section 120 of the Charities Act 2011 do not apply. Nevertheless, officers will obtain the advice of persons with the requisite ability and practical experience to provide competent advice on the proposed lease and ensure that the terms of the lease are the best that can reasonably be obtained for the charity.

Charity implications

24. Coulsdon and Other Commons is a registered charity (number 232989). Charity Law obliges Members to ensure that the decisions they take in relation to the Charity must be taken in the best interests of the Charity.

Conclusion

25. A lodge belonging to the Coulsdon and Other Commons charity is currently not needed for the better performance of staff duties and it is proposed that it be made available for residential letting through an Assured Shorthold Tenancy. This letting will be managed by a letting and management agency who will also be responsible for emergency repairs and maintenance so that the response times expected by non-staff residents is achieved. This proposal provides flexibility for the future, should the lodge be required again for staff accommodation. Letting the property rather than leaving it vacant will generate a small income to the Charity to help offset the 2021/22 budget savings.

Appendices

Appendix 1 – Map showing location of Keepers Cottage, Kenley Lane

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