

	<p style="text-align: center;">Assets Regeneration and Growth Committee</p> <p style="text-align: center;">24 April 2017</p>
<p style="text-align: right;">Title</p>	<p>136 – 142a Colindale Avenue NW9</p>
<p style="text-align: right;">Report of</p>	<p>Commissioning Director for Growth and Development</p>
<p style="text-align: right;">Wards</p>	<p>Colindale</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Urgent</p>	<p>No</p>
<p style="text-align: right;">Key</p>	<p>Yes</p>
<p style="text-align: right;">Enclosures</p>	<p>Appendix i) 136 – 142a Colindale Avenue site and location plan</p>
<p style="text-align: right;">Officer Contact Details</p>	<p>Martin Smith. Martin.smith@barnet.gov.uk 0208 359 7419</p>

Summary

Redrow Homes is in the process of re-developing the Peel Centre at Colindale. The scheme of development extends to 23.50 Hectares of land and will produce around 3000 new homes in the area, along with various other amenities and facilities in the immediate locality.

The Council is committed to assisting Redrow Homes in delivering this project in its entirety and during the pre-application process, a small but significant piece of Council owned land was identified as being required to complete the land assembly package. This site facilitates the significant road widening and infrastructure works to the locality and provides an important access to the new development at the Peel Centre. The land was included in the agreed red line drawing for the consented scheme and officers indicated that, at the appropriate point in the phasing programme, formal council approval to the disposal of the site to Redrow would be sought. .

Redrow have now indicated that they would like to proceed with the acquisition of the Council's land.

Recommendations

That the Committee;

- 1. Declares the site outlined in red on the attached plan appendix I surplus to the Council's requirements.**
- 2. Approves the disposal of the Council's freehold interest in the site to Redrow on the basis of a best consideration transaction which will be determined by an independent valuation. Authority to approve the final negotiated terms and complete the transfer of the land is delegated to the Commissioning Director for Growth and Development.**
- 3. Authorises the appropriate Chief Officer(s) to seek any necessary consents and approvals required to complete the transaction and delegates consideration of any representations following advertising and/or consultation to the Commissioning Director for Growth and Development.**

1. WHY THIS REPORT IS NEEDED

- 1.1 Redrow Homes are in the process of developing the Peel Centre redevelopment at Colindale. The scheme of development extends to 23.50 Hectares of land and will produce around 3000 new homes in the area, along with various other amenities and facilities in the immediate locality.
- 1.2 The land was included in the agreed red line drawing for the consented scheme and officers agreed at the appropriate point in the phasing programme, to seek authority to sell the vacated site to Redrow Homes. An independent valuation was jointly commissioned in 2014 which provided an indication of the value to both parties and this will require updating. Redrow have now indicated that they wish to commence this process principally to facilitate the widening of Colindale avenue, a project outlined in the Redrow section 106 agreement which is being jointly delivered with the Council
- 1.3 The subject site is known as 136–142a Colindale Avenue and is within the Housing Revenue Account. The site includes a development of 7 one bedroom, alarm assisted flats which were traditionally let to elderly residents and at present there are 6 residents over 70 and 3 aged over 80. Barnet Homes have been commissioned to lead in relocating the residents which at this stage is on a voluntary basis. One resident has been re housed and a further resident is in the process of relocating to a nearby sheltered scheme. Given the vulnerability of the residents we are keen to ensure that they are re-housed within the same locality to minimise disruption and maintain existing support networks. This has prompted the decision to commence the re-housing process early in order to capture all potential opportunities.

- 1.4 It is proposed that detailed negotiations and due diligence will commence following approval with a view to transferring the site when Vacant Possession has been secured. Redrow are aware of the vulnerability of the residents and the need for a sensitive approach to the decanting.

2. REASONS FOR RECOMMENDATIONS

- 2.1 In order to facilitate the comprehensive Regeneration of the Colindale area and ensure that appropriate infrastructure and access is provided to the sites the transfer of this land to Redrow at Market Value is recommended.
- 2.2 The Local Government Act 1972 Section 123 (2) requires the disposal of public Land at best value. This report recommends the appointment of an independent valuer to ensure compliance with section 123.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 **Do Nothing** – This would restrict any opportunity for road widening and limit access to the new development on the Peel Centre.
- 3.2 Sell the site on the open Market. -This would prevent improvement to the infrastructure and would fail to achieve a higher receipt as the proposed transaction is at best value and independently verified.

4. POST DECISION IMPLEMENTATION

- 4.1 Post Committee approval Barnet Homes will continue to identify the individual housing and support needs of the tenants. This information will then be used to secure each household a suitable offer of accommodation that meets those needs.
- 4.2 Whilst the above process is being undertaken, CSG Estates and HB Public Law will undertake due diligence on the site to ensure there are no restrictions on the land and commission an independent valuation to ensure compliance with section 123 of the Local Government Act.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Council's Corporate Plan 2015-20 states that the Council, working with local, regional and national partners, will strive to ensure that Barnet is a place:
- of opportunity, where people can further their quality of life.
 - where people are helped to help themselves, recognising that prevention is better than cure.
 - where responsibility is shared, fairly.

- where services are delivered efficiently to get value for money for the taxpayer.

5.1.1 Bring the site within the development as per the development strategy for the entire site, will support the corporate plan and help to assist and maintain the pace of the regeneration of the Peel Centre.

5.2 **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

It is proposed to sell the site for best consideration, which will be informed by an independent valuation.

The proposal to dispose would generate a capital receipt; the site is held in the Housing Revenue Account, and thus is potentially subject to a pooling payment to the Exchequer – however it is planned to spend the whole receipt on affordable housing/regeneration, so it is expected that the whole receipt, net of sale costs, would be available to support the Council's Capital Programme.

As regards costs associated with decanting the tenants, this is currently the subject of negotiation.

5.3 **Legal and Constitutional References**

5.3.1 The councils constitution, responsibility for Functions, states the terms of reference of Assets Regeneration and Growth Committee which includes: to develop and oversee a Regeneration Strategy: Develop strategies which maximise the financial opportunities of growth; oversee major regeneration schemes including those of key social housing estates; and all matters relating to land and buildings owned rented or proposed to be acquired or disposed of by the council.

5.3.2 Where the Council seeks possession of premises let on a secure tenancy in reliance on ground 10A of schedule 2 to the Housing Act 1985, the Secretary of State for Communities and Local Government (SoS) must first approve the Council's proposed scheme for the sale and redevelopment of the property. Before the SoS's consent can be sought, notice in prescribed form must be given to the tenants affected and their response must be considered. An application to court is required. The court may order possession if it is satisfied that suitable accommodation will be available for the tenant. The court may impose conditions. If a tenant who receives a demolition notice has applied for a right to buy they may be entitled to compensation for their costs.

5.3.3 Initial and final demolition notices are required in order to disapply the right to buy.

5.3.4 If the tenancies of the property were not ended before the sale (1) a specific consent to sale of housing land would be needed from SoS and (2) a right of first refusal may arise for the tenants under the Landlord & Tenant Act 1987. Once the property is vacant, the General Housing Consent 2013 made by SoS to sale of housing land can be relied upon provided the sale price is "market value" as referred to in that general consent.

On a sale the Council is required by section 123 of the Local Government Act 1972 to obtain the best consideration reasonably obtainable, unless the consent of SoS is given to sell at undervalue; but it is not intended to sell at undervalue. The valuation should reflect the requirement to obtain best consideration.

5.4 Risk Management

5.4.1 If Redrow Homes do not provide the required indemnity: The process cited above will not commence.

5.4.2 Barnet Homes have identified a number of key challenges that could cause delay in the rehousing process: These issues are cited below:

- Resistance from residents in leaving and moving to a new home.
- Uncertainty created by the proposed move can have a significant impact on the residents' health.
- securing new accommodation that can meet their current needs which, given the age profile of the tenants, are more likely to be complex (e.g. requirement for alarm assisted, Level access showers, adaptations such as hand and grab rails)
- Resistance from residents who live in general needs accommodation can be resistant to being housed into sheltered housing
- Meeting expectation on the standard, size and location of the new offer.
- Such tenants often have local support networks that they need to maintain.
- It should be noted that securing suitable accommodation in the immediate vicinity may be challenging.

5.4.3 In the event a suitable offer of re housing is refused, the Council will need to consider legal action to ensure vacant possession of the property. The potential for negative publicity that the eviction of longstanding residents of this age profile could attract will require sensitive handling. The lessons learned from the recent decanting of the sheltered scheme at Morton Close have illustrated that a desired vacant possession date can be significantly delayed where possession proceedings are not commenced early enough alongside a sensitively managed decanting programme. It is hoped that the early engagement of Barnet Homes will mitigate against delayed Vacant Possession..

5.5 Equalities and Diversity

5.5.1 The 2010 Equality Act outlines the provisions of the Public Sector Equalities Duty which requires Public Bodies to have due regard to the need to:

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- b) advance equality of opportunity between those with a protected characteristic and those without;
- c) promote good relations between those with a protected characteristic and those without. The 'protected characteristics' referred to are: age;

disability; gender reassignment; pregnancy and maternity; race; religion and belief; sex; sexual orientation. It also covers marriage and civil partnership with regards to eliminating discrimination.

5.5.2 The proposal does not raise issues under the Council's Equalities Policy and does not have a bearing on the Council's ability to demonstrate that it has paid due regard to equalities as required by the legislation. It is important that the re-housing process gives due regard to the needs of the elderly residents by providing appropriate accessible accommodation within a familiar neighbourhood.

5.6 **Consultation and Engagement**

5.6.1 Informal discussions have taken place between the developers and the Council, leading to this paper.

5.6.2 Engagement has already commenced with all the residents affected by the proposal.

5.6.3 Ward Members are consulted at regular briefing meetings.

6. **BACKGROUND PAPERS**

None