

AGENDA ITEM: 6

Page nos. 10 - 13

Meeting	Cabinet Resources Committee
Date	28 April 2005
Subject	Land adjoining St James School, Great Strand, Grahame Park NW9
Report of	Cabinet Member for Resources Cabinet Member for Performance, Partnerships & Best Value
Summary	To report a variation of the offer from Martin Grant Homes for the acquisition of the land.

Officer Contributors	Dave Stephens, Chief Valuer and Development Manager
Status (public or exempt)	Public (with a separate exempt section)
Wards affected	Colindale
Enclosures	None
For decision by	Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information: Dave Stephens, Property Services and Valuation – 020 8359 7366.

1 RECOMMENDATIONS

- 1.1 That the revised offer from Martin Grant Homes Limited for the purchase of the land at Great Strand, Grahame Park, NW9 be accepted.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet Resources Committee – 4.11.03 – considered a report on the disposal of land at Great Strand, off Grahame Park Way, jointly with St James School and approved the freehold sale in principle with the results of the tendering process being reported to a future meeting of the committee.
- 2.2 Cabinet Resources Committee – 19.02.04-16 – considered a report on the need to conclude an agreement with the school for the sale of the land and thereby facilitating the completion of a Transfer of Control Agreement for the adjacent all-weather pitch site, and agreed the freehold sale of the Council's land subject to the Council's share of the net proceeds of sale being in the region of 30%.
- 2.3 Delegated Powers report 4.3.04 – that the Council's share of the net proceeds of sale will be up to 30% with the final percentage share being subject to referral to arbitration in the event of disagreement between the parties.
- 2.4 Cabinet Resources Committee – 8.7.04 – considered the results of the tendering process and approved the acceptance of the offer from Martin Grant Homes.

3 CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The Corporate Plan commits the council to “plan and manage land use and development in Barnet to enhance quality of life and provide tangible benefits for the community”. The proposals in this report do this by creating an opportunity for a potential capital receipt from the sale of land and which can be used to assist in funding the Council's approved capital programme.

4 RISK MANAGEMENT ISSUES

- 4.1 The revised offer from Martin Grant Homes Limited is subject to the outcome of a soil survey. The survey has been carried out and the chemical analysis of the samples is awaited.
- 4.2 Additionally, it is subject to Martin Grant Homes Limited finalising agreement with Genesis/Paddington Churches Housing Association in regard to the price to be paid for the affordable housing units. An application has been made to the Housing Corporation for grant funding.

- 4.3 The offer is also subject to the grant of planning permission. However, there have been informal discussions with planning colleagues and it is anticipated that the proposed development will be recommended for planning approval.
- 4.4 The school has yet to be granted approval by the Department for Education and Skills.

5 FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

- 5.1 The probable achievement of a capital receipt in the region of the sum referred to in the exempt report less marketing and other costs.
- 5.2 There are no staffing or ICT issues. The property issues are those set out in Section 7 below.

6. LEGAL ISSUES

- 6.1 None.

7. CONSTITUTIONAL POWERS

- 7.1 Constitution – Council Procedure Rules – Financial Standing Orders & Rules for Disposal of Land and Real Property.
- 7.2 Constitution – Part 3 Responsibility for Functions – Section 3.6 Functions delegated to the Cabinet Resources committee – All matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.

8. BACKGROUND INFORMATION

- 8.1 The offer made by Martin Grant Homes for the acquisition of the land at Great Strand is set out in the exempt report. The proposed scheme included 10 units of key worker housing which it was intended would be acquired by Sutherland Housing Association using Housing Corporation Grant.
- 8.2 Post the acceptance of the Martin Grant Homes offer it transpired that Sutherland could not achieve the necessary funding to proceed with the key worker housing. Officers from the Council's Housing Initiatives Section became involved and produced a solution with Genesis/Paddington Churches Housing Association. This has been on the basis that instead of key worker housing, the 10 affordable units be for rent. Genesis/Paddington Churches has made an application to the Housing Corporation for funding.
- 8.3 This solution to the affordable housing issues coupled with the downturn in the market in the intervening period, has resulted in a reduced offer from Martin Grant Homes Limited. This is set out in the exempt report.

- 8.4 Set out in the exempt report is the next highest tender offer. This is still less than the current offer from Martin Grant Homes Limited. The agent acting for the School will be recommending to his clients that the revised conditional offer from Martin Grant Homes be accepted. As it satisfies the requirements of Section 123 of the Local Government Act 1972 in that it still represents best consideration, this Committee is recommended to accept the offer and proceed with the sale to Martin Grant Homes Limited (or to a company which is a Group company).
- 8.5 The Council's share of the proceeds of sale has yet to be finally agreed but it will be assessed in accordance with the terms of an agreement concluded between the School and the Council.

9. LIST OF BACKGROUND PAPERS

- 9.1 None.

Legal: SS
BT: MB