

<p style="text-align: center;"><u>COMMITTEE</u> CABINET RESOURCES</p>
<p style="text-align: center;">DATE AND TIME THURSDAY, 16 JUNE 2005 AT 7.00 PM</p>
<p style="text-align: center;"><u>VENUE</u> THE TOWN HALL, THE BURROUGHS, HENDON, NW4 4BG</p>

TO: MEMBERS OF THE CABINET RESOURCES COMMITTEE (Quorum 3)

Chairman: Councillor Kanti Patel

Councillors:

Anthony Finn

Mike Freer

John Marshall

Brian Salinger

John Marr, Democratic Services Manager

Democratic Services contact: Chidi Agada, tel: 020 8359 2037

Press and Public Relations contact: Emer Coleman, tel: 020 8359 7794

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Town Hall
Hendon, NW4 4BG

ORDER OF BUSINESS

Item No.	Title of Report	Page Nos.
1.	MINUTES	–
2.	ABSENCE OF MEMBERS	–
3.	DECLARATION OF MEMBERS' PERSONAL AND PREJUDICIAL INTERESTS	–
	Report of the Cabinet Members for	
	• Resources	
	• Policy and Performance	
4.	Disposal of Deansbrook Day Centre, Deansbrook Road, Edgware	1 – 3
	Report of the Cabinet Member for Environment and Transport	
5.	Adoption of public open spaces at Aadastral South, Grahame Park	4 – 7
6.	ANY OTHER ITEMS THAT THE CHAIRMAN DECIDES ARE URGENT	
7.	MOTION TO EXCLUDE THE PRESS AND PUBLIC:- That under Section 100A (4) of the Local Government Act 1972 the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 9 of Part 1 of Schedule 12A of the Act:	
	Exemption category	
	Report of the Cabinet Members for	
	• Resources	
	• Policy and Performance	
8.	Disposal of Deansbrook Day Centre, Deansbrook Road, Edgware	7 & 9 8 – 14
	Report of the Cabinet Member for Resources	
9.	Sale of Park House, 16 High Road N12	7 & 9 15 – 18
10.	ANY OTHER EXEMPT ITEMS THAT THE CHAIRMAN DECIDES ARE URGENT	

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Do not re-enter the building until told to do so.

AGENDA ITEM: 4

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Meeting	Cabinet Resources Committee
Date	16 June 2005
Subject	Disposal of Deansbrook Day Centre, Deansbrook Road, Edgware
Report of	Cabinet Member For Resources Cabinet Member For Policy and Performance
Summary	To report the result of the marketing and tender invitation for the freehold sale of Deansbrook Day Centre

Officer Contributors	George Church, Principal Valuer, Property Services and Valuation Group
Status (public or exempt)	Public – with a separate exempt report
Wards affected	Burnt Oak
Enclosures	None
For decision by	The Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information: George Church, Principal Valuer, Property Services and Valuation Group Tel 020 8359 7366

1. RECOMMENDATIONS

- 1.1 That the tender offer from the Edgware Muslim Community Centre be accepted and that the appropriate Chief Officers be instructed to proceed with the freehold sale of the Deansbrook Day Centre to that organisation.

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Resources Executive – 10 February 2005 – approved the freehold sale of the former Deansbrook Day Centre by way of non binding tender in accordance with the provisions of the Constitution and with the result thereof being reported to a future meeting of the Committee.

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 the quality of life and provide tangible benefits for the community”. The proposals in this report will do this firstly by achieving a capital receipt from the sale of the property which can be used to assist in funding the Council’s approved capital programme and secondly by the purchaser’s use of the premises as a day centre for community use.

4. RISK MANAGEMENT ISSUES

- 4.1 The risk of the purchaser failing to complete the purchase of the property has been minimised by due diligence enquiries being made by Council officers into the recommended purchaser’s financial status, which have revealed that the recommended purchaser appears to be solvent, and in a position to complete the purchase without delay.

5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

- 5.1 Details of the offers received are set out in the exempt part of the report.
- 5.2 There are no staffing or ICT issues. The property implications are set out 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 property was offered for sale by non binding tender inviting offers for the purchase of the freehold or the grant of a long lease. The marketing particulars stated that the property was suitable for either redevelopment or community use, subject to planning.
- 8.2 Marketing included direct mailing to our register of potentially interested parties, and press and property publications advertising. The tender closing date was 22 April 2005.
- 8.3 390 sets of marketing particulars were sent out. By the tender closing date, 18 offers had been received. The tender results are shown in Appendices A and B to the exempt report.
- 8.4 The bid from Edgware Muslim Community Centre (this being the name of a registered charity) can be recommended not only because it is the highest bid received, but also because they are likely to complete the purchase of the property more quickly than the under bidder because they have organised a bank loan for the greater part of the purchase price of the property. Their community will bear the balance of the cost. This situation compares favourably with the under bidder's offer which is conditional on the sale of another property.
- 8.5 Furthermore, the Edgware Muslim Community Centre's use of the premises as a day centre with ancillary religious worship is more satisfactory than the under bidder's proposed use of the premises as a community centre, but with a larger numbers of people attending for religious worship. In particular, such numbers are likely to cause parking problems in the area.
- 8.6 Informal planning advice is that the existing use of the premises as a day centre permits religious worship.

9 LIST OF BACKGROUND PAPERS

- 9.1 None.

BS: DP
BT: CM

AGENDA ITEM: 5

Page nos. 4 - 7

Meeting	Cabinet Resources Committee
Date	16 June 2005
Subject	Adoption of public open spaces at Adastral South, Grahame Park.
Report of	Cabinet Member for Environment and Transport
Summary	Report seeking approval to adopt public open space at Adastral South, Grahame Park.

Officer Contributors	Matthew Mardling, Principal Greenspaces Manager
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Status (public or exempt)	Public
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Wards affected	Burnt Oak
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Enclosures	Map
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For decision by	Cabinet Resources
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Function of	Executive
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Reason for urgency/exemption from call-in (if appropriate)	
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Contact for further information: Matthew Mardling 020 8359 7823

1. RECOMMENDATIONS

1.1 That the committee agrees to accept a freehold transfer of the land shown shaded grey on the attached plan, at nil value subject to

- (i) it being confirmed that none of the land is contaminated or is unfit for the purpose of open space use;**
- (ii) to there being no unacceptable restrictions on title or onerous covenants; and**
- (iii) to payment of the agreed sums as detailed in this report.**

2. RELEVANT PREVIOUS DECISIONS

2.1 None.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

3.1 Working towards the Council's priority of "a cleaner, greener borough".

3.2 Greenspaces Best Value Review Improvement Plan (the Plan), 22nd March 2004 .One of the Plan's objectives is to identify and tackle funding gap. To help achieve this all new adoptions to reflect the true cost of maintenance.

3.3 The Premier Parks Strategy.

4. RISK MANAGEMENT ISSUES

4.1 Refusal to adopt will cause delay and potential additional cost to Notting Hill Housing group.

4.2 Adoption will expose the Council to occupiers liability for the land. The land represent less than 0.1% addition to the present green space provision.

5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

5.1 The land is offered for transfer on the basis of the freehold title and its entries.

5.2 The subsequent maintenance costs will be absorbed on existing revenue budgets, raised appropriately to reflect the dowry payment.

6. LEGAL ISSUES

6.1 None.

7. CONSTITUTIONAL ISSUES

7.1 Constitution, Part 3, Responsibility for Functions, Section 3, Powers of the Executive, paragraph 3.6 - terms of reference of the Cabinet Resources Committee.

8. BACKGROUND INFORMATION

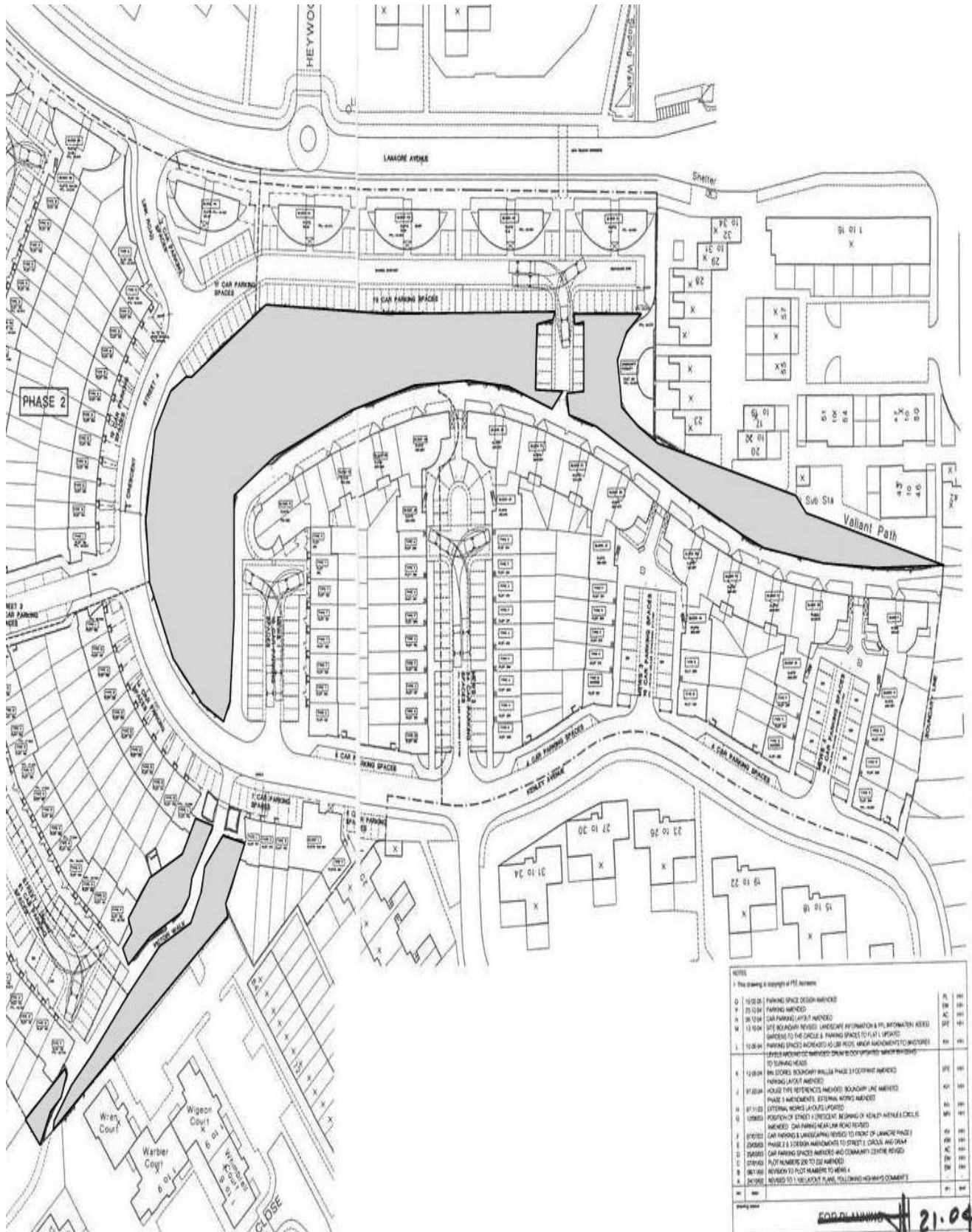
- 8.1 Prior to the redevelopment of the site, public open space was present totalling 12,857 sq m. This was maintained by the Council.
- 8.2 Following the redevelopment this was reconfigured and reduced to 8,493 sq m. which Notting Hill Housing Trust wish to see re-adopted by the Council. It had been long standing working assumption on their behalf that the open space would be returned to the Council, along with a new children's play area.
- 8.3 In light of the Best Value Review findings the offer of adoption of an additional play area by Nottinghill was declined. In place of this an equivalent contribution towards the refurbishment of existing nearby park facilities was proposed. It was also proposed that a dowry would be required to cover the long term maintenance liability associated with the site.
- 8.4 Following negotiation the following sums were agreed upon:
- | | |
|---------------------|----------|
| Grounds maintenance | £60,000 |
| Trees | £25,000 |
| Off-site play area | £125,000 |
- 8.5 These are single payments to be received at the time of transfer. The figures for grounds maintenance and tree maintenance are calculated using 15 years maintenance costs. The figure for off site play provision represents the realistic cost of providing an addition play area.
- 8.6 It is proposed that the play area investment will be made in Watling Park, in line with the Premier Parks Strategy.
- 8.7 Plan of the public open space to be adopted.

9. LIST OF BACKGROUND PAPERS

- 9.1 None.

BT:

MO: CH



NOTES

1. This drawing is a copy of the original.

1	10/01/01	PARKING SPACE DESIGN AMENDED	PL	100
2	20/01/04	PARKING AMENDED	AM	100
3	06/03/04	CAR PARKING LAYOUT AMENDED	AC	100
4	13/04/04	SITE BOUNDARY REVISED LANDSCAPE INFORMATION & PL INFORMATION KEYS ADDED TO THE CIRCULAR PARKING SPACES TO CLAY LAYOUT	PL	100
5	15/01/04	PARKING SPACES INCREASED AS PER NOTES WHICH AMENDMENTS TO EXISTING LAYOUT AMENDMENTS TO EXISTING DRAWN BLOCKS (SPACES) WHICH REFERRED TO TURNING HEADS	AM	100
6	12/08/04	80% STORES BOUNDARY WALLS PHASE 3 FOOTPRINT AMENDED	PL	100
7	07/03/04	HOLD THE REFERENCES AMENDED BOUNDARY LINE AMENDED	AM	100
8	07/11/03	EXTERNAL WORKS LAYOUTS LIFTED	AM	100
9	12/08/03	POSITION OF EXISTING 100% CIRCULAR BOUNDARY OF KEELY HENNESSY CIRCLE AMENDED (CAR PARKING NEAR AN ROAD REDUCED)	AM	100
10	07/01/03	CAR PARKING LAYOUT AMENDED TO FRONT OF LANORE PHASE 2	AM	100
11	07/01/03	PHASE 2 DESIGN AMENDMENTS TO STREET 1, DRIVE AND DRIVE	AM	100
12	07/01/03	CAR PARKING SPACES AMENDED AND COMMENTS CENTER REVISION	AM	100
13	07/01/03	PLOT NUMBER 20 TO 22 AMENDED	AM	100
14	06/01/03	REVISION TO PLOT NUMBER TO 20	AM	100
15	24/03/03	REVISION TO 1 VILLAGE OUT PLUMBING FOLLOWING HIGHWAYS COMMENTS	AM	100

21.04

AGENDA ITEM: 6a Page nos. 1 - 6

Meeting	Resources Cabinet Committee
Date	16 June 2005
Subject	Acquisition of a leasehold interest in land at Spur Road, Edgware
Report of	Cabinet Members for: <ul style="list-style-type: none">• Resources• Policy and Performance
Summary	To report the variations to the previously agreed terms for the acquisition of a land at Spur Road, Edgware from All Souls College to facilitate both the development of the Barnet City Academy and the Stonegrove and Spur Road housing estates regeneration scheme.

Officer Contributors	David Stephens, Chief Valuer Siobhan O'Donoghue, Principal Valuer,
Status (public or exempt)	Public (with separate exempt section)
Wards affected	Edgware
Enclosures	N/A
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	<i>Pursuant to an Agreement between the Barnet City Academy and the Council, the Barnet City Academy requires the lease of the All Souls land to be completed by 21 June. The proposals set out in this report do not alter the objectives originally approved by the Cabinet and the Cabinet Resources Committee, just the method and process for delivery.</i>

1. RECOMMENDATIONS

- 1.1 That the securing of a grant of a long lease of the All Soul's College land in Spur Road, Edgware (Sites A and B shown on the attached Plan No.1) in favour of the Barnet City Academy upon the basis as set out in the report be approved and the appropriate Chief Officers be instructed to complete the transaction.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet 29 March 2005 agreed that subject to the outcome of Section 10a consultation, consent from ODPM and achieving best consideration for the site, the Council agreed to the disposal of part of the island site on the Stonegrove/Spur Road estate to Family Housing Association to provide affordable housing with the remainder of the island site being offered to the open market for a scheme of housing for private sale.
- 2.2 Cabinet Resources 23 September 2004 agenda item 7 agreed for officers to acquire a 99 year lease of the All Souls land at Spur Road, Edgware subject to the college confirming they were willing to proceed, and agreement being reached with DfES and Family/Unitary regarding the Council's retained land, plots E, F and G and the external auditors being consulted on the financial arrangements.
- 2.2 Cabinet 22 March 2004 noted that the use of Edgwarebury Park land as alternative playing fields was no longer an option.
- 2.3 Cabinet 10 February 2004, agenda item 4. The Council authorised the transfer of the freehold interest of Edgware School to the Academy Trust, the grant of a temporary licence to occupy adjoining land which is retained by the Council, an in principle agreement to grant a long lease to the Academy Trust of alternative playing fields and the transfer of the remainder of the existing Edgware School to the Trust in the event of the Council being unable to secure alternative playing fields.
- 2.4 Cabinet 10 December 2001. The Cabinet agreed the appointment of Family Housing Association and Unitary as the preferred partner consortium for the development of the Spur Road/Stonegrove Estates regeneration scheme.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The Corporate Plan 2004/5 – 2007/8 priorities include a commitment to improving the suitability of the learning environment for all children.
- 3.2 The corporate Plan commits the Council to 'plan and manage land use and development in Barnet enhance quality of life and provide tangible benefits for the community.' The proposal in this report will achieve this by assisting with the implementation of the Spur Road/Stonegrove Housing Estates regeneration scheme.
- 3.3 Providing good homes in balanced communities by reducing the number of properties not meeting Decent Homes Standard and regenerating priority estates.

4. RISK MANAGEMENT ISSUES

- 4.1 The existing agreement between the Council and the Barnet City Academy Trust and the Department for Education and Skills (DfES) provides that if the Council cannot secure alternative playing fields for the Academy by 31 December 2005, then the remaining school lands (marked E, F and G on the attached Plan No.1) will be transferred to the

Trust. If this happens then the intended regeneration scheme for Stonegrove/Spur Road as currently planned will be undeliverable.

4.2 The Council are now out of time in terms of acquiring the All Souls land through a Compulsory Purchase Order (CPO). If they were to pursue acquisition under this process it is unlikely that they would meet the deadline of 31 December 2005.

4.2 It is intended that the Council's retained land, plots E, F and G will be used to assist in securing the regeneration of the Spur Road and Stonegrove housing estates.

4.3 There is currently no marketing strategy for Site E, F and G although it is unlikely that the sites will be available until September 2006, when the new Academy buildings will be completed.

5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

5.1 All Souls have agreed for the Council to acquire Sites A and B for the sum set out in the exempt report. The Council have also agreed to meet the associated fees and costs in relation to this transaction.

5.2 It was originally proposed that the cost of the lease would be met from a capital sum received from the 'partner' organisation carrying out the regeneration of the adjacent housing estates. Whilst the arrangements for the regeneration scheme are under review the cost of securing the grant of the lease will be met by prudential borrowing. However, it is still anticipated that the regeneration proposals will still generate capital receipts from developing part of the lands for private sale housing and part of these receipts will be used to re-pay the prudential borrowing. There is a provision in the budget for the revenue costs of the prudential borrowing needed to fund the acquisition for 2004/05 only. This will increase pressure to the budget for this financial year, 2005/06.

5.3 It was originally intended that the sum received from the regeneration 'partner' for Sites E, F and G would meet the cost of the All Souls purchase with the balancing sum being paid to DfES. No formal arrangement was ever made between the Council and DfES on this matter. It is still the intention of the Council to make this payment, although detailed discussions will need to be held with DfES to formalise the matter. This will be reported to the Committee at later date once discussions have been concluded.

5.4 There are no staffing or ICT implications.

6. LEGAL ISSUES

6.1 None

7. CONSTITUTIONAL POWERS

7.1 Constitution – Part3 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.

7.2 Section 16(1) of the Overview and Scrutiny Rules in the Council's Constitution provides that the call-in procedure is not to apply where a decision being taken by the Executive is urgent, that is if any delay caused by the process would seriously prejudice the Council's or the public interest. The Chairman of the Cabinet and Overview and Scrutiny

Committee must agree both that the decision proposed is reasonable in all the circumstances and to it being treated as a matter of urgency.

8. BACKGROUND INFORMATION

- 8.1 At its meeting on 23 September 2004, the Council considered the acquisition of land at Spur Road, Edgware, to facilitate the development of the Barnet City Academy and the Stonegrove and Spur Road housing regeneration. It was agreed that subject to All Souls College confirming that they were willing to proceed and the Council reaching an agreement with DfES and Family/Unitary regarding payment for plots E, F and G the acquisition of Sites A and B (as shown on the attached plan) could proceed.
- 8.2 Since then, there have been a number of changes in the proposals for the Stonegrove/Spur Road regeneration and the Council agreed at its Cabinet meeting on 29 March 2005, that there would now be a staged approach to the regeneration of the estate through the initial disposal of discrete sites for new affordable and private housing. The recommendation retains the Council's future control of the project and further disposals.
- 8.3 Although the Council is still committed to the overall regeneration of the estate, this Cabinet decision changes the implementation of the original proposal.
- 8.4 It was previously intended that Sites E, F and G, the former Edgware school, would be transferred to the Greengrove Partnership once the new City Academy was completed and a lease of Sites A and B had been acquired from All Souls College, Oxford for the purpose of providing playing fields. Greengrove would make a sum payment for the E, F and G sites and the land would form part of the housing regeneration scheme.
- 8.5 The sum payment would have been used to fund the acquisition of a lease of the All Souls land with the remaining money being paid to DfES to defray the Academy costs. This however is no longer the case as there is currently only authority for the Council to proceed with Phase 1 of the Stonegrove/Spur Road regeneration, which does not include Sites E, F and G.
- 8.6 It is essential that the Council proceed with the acquisition of the All Souls land, as the release of Sites E, F and G for development is conditional on this land being purchased for playing fields. All Souls have agreed to proceed with the grant of a long lease of Sites A & B in favour of the Barnet City Academy. The Council will finance the capital premium payment through prudential borrowing – these figures are set out in the exempt report.
- 8.7 As part of the acquisition of All Souls the Council have agreed to pay all associated fees and costs, which are set out in the exempt report. The costs do not include stamp duty as it is intended that the lease will go direct to the Academy Trust. As a charitable organisation they are probably exempt from this tax, therefore relieving the Council from this liability. Acting cautiously until the Stamp Duty Land Tax position is certain, the Academy Trust have requested that the Council provide an indemnity in respect of any stamp duty which may become payable. This is not considered to be a real risk and by providing this comfort the Council is not in any worse position than if it were to take the lease from All Souls in the first instance.
- 8.8 It is intended that Sites E, F and G will still be used for the housing estates regeneration proposals and will generate some capital receipts. This will be the subject of further reports to future meetings of the committee.

- 8.9 Because of the need to first lay out the All Souls land as playing fields, the Council is unlikely to secure possession of any of sites E, F and G until the latter part of the year when it is intended that the new Academy buildings will be complete. The Academy does however hold a lease for these sites until December 2007. Once the lease of the playing fields has been granted it is thought that it will take approximately 1 year for them to be laid out, to ensure they are available for use simultaneously to when the new Academy buildings are open.
- 8.10 The estimated value undertaken by Donaldson's of sites E, F and G for the housing estates regeneration project (i.e. what they will contribute in cross-subsidy benefit to the scheme) is set out in the exempt report.
- 8.11 Under the negotiated terms of the proposed lease of the playing fields land the Academy is required to seek consent from All Souls College should they wish to assign the lease. The Council have requested that a pre-emption be put in place in its favour to ensure that should the Academy Trust decide that it no longer requires the land the lease should be assigned to the Council or the appropriate Local Education Authority for the time being. This is the subject of on-going negotiations and there are to be discussions with the Department for Education and Skills. The final arrangement will be a variation on what has been proposed but still providing the general assurance to the Council that the Academy cannot 'profit' from the Council's expenditure.

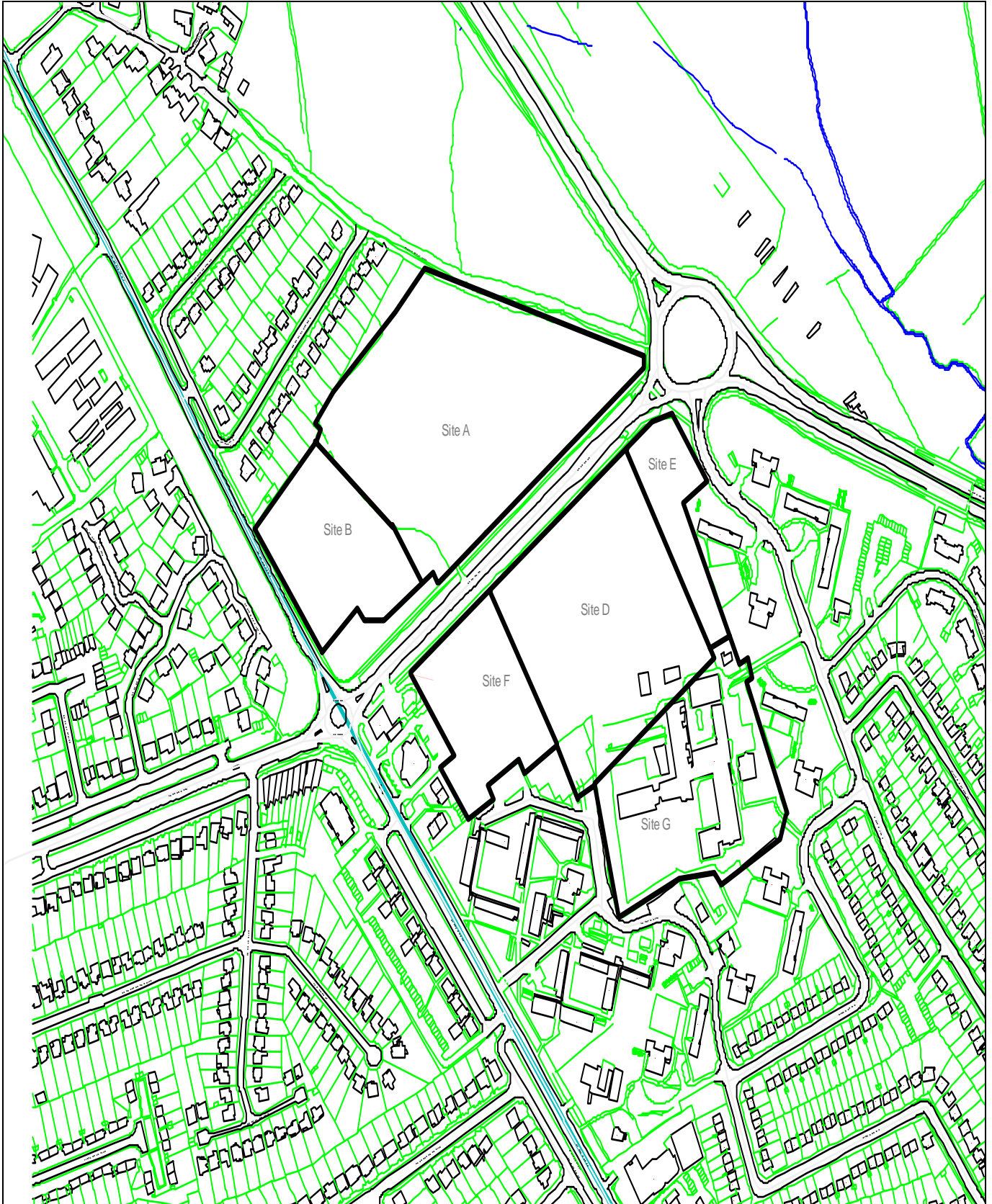
9. LIST OF BACKGROUND PAPERS

- 9.1 None.

MO:

BT:

**PLAN NO.1 STONEGROVE / SPUR ROAD HOUSING ESTATE & EDGWARE SCHOOL,
SPUR ROAD, EDGWARE**



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AGENDA ITEM: 6b

Page nos. 1 - 7

Meeting	Resources Cabinet Committee
Date	16 June 2005
Subject	Housing estates regeneration schemes – advanced purchase of properties in cases of personal hardship
Report of	Cabinet Member for Community Services Cabinet Member for Regeneration and Development Cabinet Member for Resources Cabinet Member for Policy and Performance
Summary	To approve a scheme to acquire properties on the regeneration housing estates at Stonegrove and Grahame Park where the owner/occupiers wish to sell and are suffering personal hardship as a direct consequence of the scheme proposals and, on Stonegrove, where properties are required in connection with the first phase of the regeneration.
Officer Contributors	Dave Stephens, Chief Valuer and Development Manager Roger Arkell, Grahame Park Project Director Andrew Westcott, Stonegrove Project Director.
Status (public or exempt)	Public – with a separate exempt section
Wards affected	Colindale and Edgware
Enclosures	Appendix A – Temporary Letting Arrangements
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	Residents on these estates who are experiencing hardship have been assured that the Council will be considering their difficulties with a view to providing a possible solution. Additionally, external advice is that this is an issue which needs to be addressed urgently.

Contact for further information: David Stephens – 020 8359 7353

Roger Arkell 020 8359 7130 Andrew Westcott 020 8359 7131

1. RECOMMENDATIONS

1 RECOMMENDATIONS

1.1 That subject to the following:

- i. Confirmation that the London Housing Board funding for Stonegrove can be used for this purposes; and/or**
- ii. Funding can be secured through prudential borrowing; and**
- iii. That, where appropriate, the acquired properties can be used as temporary accommodation for the homeless on the basis set out in the report or for purposes ancillary to the regeneration of the estates;**
- iv. To the prior approval of the Office of the Deputy Prime Minister; and**
- v. That no additional commitments leading to increased prudential borrowing can be entered into until the Borough Treasurer has confirmed that this borrowing would be in accordance with prudential indicators approved by Council**

1.2 The appropriate Chief Officers be authorised to enter into negotiations with owner/occupiers upon the basis set out in paragraphs 8.7 and 8.8 of the report subject to:

- a. spending not exceeding the sums referred to in the exempt report;**
- b. the number of properties to be acquired to be capped at 45, after which further Cabinet approval will be required;**
- c. that the estimates of expenditure and income be reviewed on a regular basis on the basis that further acquisitions are halted if at any time the actual costs and income prove to be significantly different from the estimates; and**
- d. to officers providing six monthly progress reports to this committee.**

1.3 That the funding for the redevelopment of Stonegrove and Spur Road Estate included in the Housing Association Capital Programme 2005/6-2008/9 be used by the council to acquire leasehold properties within the area upon the basis set out in paragraph 8.7.

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet 10 December 2001 - Agreed that Family Housing Association be approved as the Council's preferred development partner for the regeneration of the Stonegrove and Spur Road estates and the appropriate Chief Officers be instructed to work with Family Housing Association to progress the regeneration proposals, reporting to future meetings of Cabinet on property acquisition and land transfer issues as appropriate**
- 2.2 18th March 2002, Cabinet approved selection of Genesis and Notting Hill HT partnership (Choices for Grahame Park) as the preferred development partner for Grahame Park Estate Regeneration.**
- 2.3 2nd December 2002, Cabinet resolved “.to promote a Compulsory Purchase Order in support of the project (Grahame Park Housing Estate Regeneration) and instructs the appropriate Chief Officers to take all necessary action to secure confirmation of such an order.”**
- 2.4 Planning and Environment Committee – 22 September 2004 – approved, subject to conditions and reserved matters, the grant of an outline planning application for the Stonegrove/Spur Road Regeneration Scheme.**
- 2.5 Council - 3 March 2005 – Budget - approved the Capital Programme 2005/6 – 2008/9.**
- 2.6 Cabinet Resources Committee – 29 March 2005 – approved the conditional disposal of ‘Site C’ at Stonegrove and Spur Road Estates to Family Housing Association and arrangements for the disposal of Sites A & B, subject to vacant possession being secured.**

3 CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The proposed regeneration schemes will help towards meeting the Council's obligations to achieve the decent homes standards by 2010 in respect of the Council owned properties on the estates.
- 3.2 The proposals support the corporate policy of "Putting the Community First" and directly relates to the key priorities for our Community in the Corporate Plan, including:

Supporting the Vulnerable in our Community: Regeneration of priority estates is one of the keys for helping the diverse members of the community to participate in shaping their future and accessing wider opportunities.

- 3.3 Corporate Plan 2004/05-2007/08 – priority objective 'Supporting the Vulnerable in our Community' with a target to ensure that no families are in B&B accommodation after April 2004 (on-going target) – this now has statutory force pursuant to provisions in the Homelessness Act 2002.

4 RISK MANAGEMENT ISSUES

- 4.1 Because of the delays in bringing both of these regeneration schemes to a position where there is a degree of certainty of implementation, the Council is exposed to criticism from several quarters because of the adverse effect on private home owners/occupiers who may be facing financial and other distress because of an inability to sell their home. Further issues are set out in the exempt report.
- 4.2 As indicated in Sections 5 and 8 below, part of the annual charges on the costs of acquisitions could be covered by the receipt of rents if the properties are used for short-term temporary housing purposes. Eventually the properties will be sold on to the Council's development partners if the regeneration schemes proceed or, in the case of Stonegrove, will be demolished and sold as cleared sites as part of the continued regeneration using the staged approach approved by Cabinet resources Committee on 29th march 2005. If they do not proceed then the properties can be sold on the open market and the initial cost of acquisition recovered subject to any fluctuations in the housing market.
- 4.3 As indicated in paragraph 5.3, this proposal involves incurring unbudgeted prudential borrowing to purchase properties, but that this would only be done if the cost of borrowing can be appropriately funded. The proposals are not risk free, but officers are seeking to minimise the risk in two ways:-
 - by setting a cap on the number of properties acquired, after which further Cabinet approval is required;
 - by requiring the estimates of expenditure and income to be reviewed on a regular basis, such that further acquisitions are halted if at any time the actual costs and income prove to be significantly different from the estimates.
- 4.4 The estimated number of properties, which the Council may eventually acquire, is set out in the exempt report.
- 4.5 Failure to act could result in the loss of the grant from the London Housing Board
- 4.6 Failure to secure leasehold properties will jeopardise the future regeneration of these estates, and could lead to the Council being unable to meet development conditions included in contractual arrangements concluded with regeneration partners.

5 FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

- 5.1 There are no staffing or ICT issues.
- 5.2 Set out in the exempt report is the sum of money which has been made available by the London Housing Board to be used for advanced acquisition of properties required for the housing regeneration schemes. Subject to the approval of the London Housing Board it is proposed that this money be used to fund some of the possible acquisitions.
- 5.3 In addition to the London Housing Board money, it is proposed that acquisitions at Stonegrove and Spur Road Estates will be funded through the use of part of the £8 million in the Housing Association Capital Programme 2005/6-2008/9 for the regeneration of these estates. At Grahame Park acquisitions could be funded through prudential borrowing. As set out in the exempt report, the Council can only consider this course if the annual cost of borrowing can be appropriately funded. As referred to in paragraph 5.4 below, it is considered that a variation of the Private Sector Leasing Scheme could be used to provide temporary housing and a revenue stream to go towards covering prudential borrowing costs.
- 5.4 The Housing Performance Management Plan, approved by Cabinet Resources Committee on 21/02/05 and Council on 01/03/05, included a proposal to develop a Private Sector Leasing scheme. Under this scheme the Council is taking short-term leases of privately owned residential furnished properties to use as temporary housing for the homeless. Letting the properties on a non-secure council tenancies enables the council to maximise subsidy paid on any Housing Benefit claimed by the tenants. Where appropriate and the properties acquired have a suitable life, it is considered that this scheme can be adapted to provide for the acquired properties to be used as temporary accommodation upon a similar basis. It would be necessary for the properties to be put into reasonable repair first (and the condition of the properties will be reflected in the initial purchase price) and furnished. The estimated example costs are set out in appendix A to this report. As demonstrated in Appendix A, if the properties acquired on Grahame Park are used for temporary accommodation purposes then the majority of the prudential borrowing costs can be covered by the rental income. The same practice can apply to the Stonegrove properties but in that case it is not intended that the acquisition costs will require prudential borrowing.
- 5.5 On Stonegrove and Spur Road Estates the Council will be using capital funds already in the Capital programme for the purpose of advance acquisitions in the current financial year
- 5.6 The Council's costs on each acquisition will include Stamp Duty Land Tax at 1% on purchases between £120,001 and £250,000 (the rate is 3% for purchases between £ 250,001 and £500,000) and also Land Registration fees of about £50 to £220 per transaction, depending on value.
- 5.7 Any applicable right to buy discount repayment will operate on a sliding scale for any property re-purchased where the RTB was exercised within the three years prior to re-purchase. If applicable, leaseholders will have to repay the discount to the Council. Repayment would also apply if an option to sell was also entered into within the three-year period.

6. LEGAL ISSUES

- 6.1 Section 9 of the Housing Act 1985 is the principal section conferring the powers to provide housing accommodation. Section 17 of the Act is the principal power to purchase land and housing in order to provide housing under Section 9. If Housing Revenue Account money is used for these purchases (as is proposed at Stonegrove) then the property should be held as an HRA asset. If, as is proposed in this report, the properties are to be held in the General Fund but using HRA money to purchase then it is considered that this will require the consent of the ODPM.

- 6.2 If General Fund money (and this would include prudential borrowing) is used to acquire properties then upon re-sale the money returns to the General Fund. Using General Fund to acquire the properties and upon re-sale returning the money to the General Fund would be permitted pursuant to section 2 of the Local Government Act 2000. This section confers power on local authority to do anything that is likely to achieve the promotion or improvement of the economic, social or environmental wellbeing of an area. However, the power under the section does not enable a local authority to raise money (whether by precepts, borrowing or otherwise).
- 6.3 There are likely to be a variety of legal issues arising with each of the acquisitions or the securing of an option to purchase. These will be addressed in respect of each individual purchase or option as they arise.

7. CONSTITUTIONAL POWERS

- 7.1 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

BACKGROUND

- 8.1 There are approximately 78 resident leaseholders and 53 absent leaseholders, a total of 131 privately owned homes on Stonegrove and Spur Road Estates, and approximately 170 at Grahame Park which will eventually be required for the housing estates regeneration schemes, albeit that this may be over development periods of up to 14 years. Of these there are approximately 78 owner/occupiers on Stonegrove and approximately 150 owner/occupiers on Grahame Park. In the first phase of housing to be emptied at Stonegrove, (Collinson, Powis and Goldsmiths Courts) there are some 25 leaseholders of which 17 are resident.
- 8.2 Based upon experience to date (and the knowledge of the re-housing opportunities which are likely to arise from the regeneration scheme) it is believed that the majority of these owner/occupiers will be fairly content to remain in occupation until the Council or its development partners are ready to acquire their properties for the phased development of the estates. It is likely that these acquisitions will either be pursuant to a confirmed Compulsory Purchase Order or by negotiation but in line with compulsory purchase compensation rules – i.e. owner/occupiers will be entitled to the value of their property interests plus home loss and disturbance payments. At Stonegrove officers will be seeking to secure options to purchase with such owners.
- 8.3 It must be stressed however that at this stage neither scheme is fully ready to proceed and the Council has not made any compulsory purchase orders – thus the properties are not considered to be blighted. Nevertheless, since the resolutions to promote the regeneration schemes some owner/occupiers on these two estates who wish to move in advance of the schemes proceeding have had difficulty in selling their homes or potential purchasers have been unable to secure mortgage loans using the homes as security as the practice of mortgage lenders is not to lend on properties that are likely to be redeveloped in the foreseeable future. In some cases this has created situations of personal hardship. Residents in this situation are looking to the Council to help resolve their difficulties.

SUGGESTED ACTION

- 8.4 It needs to be borne in mind when seeking a solution to these 'hardship' cases that if the owner/occupiers had been able to sell their properties on the open market they would only have received market value. They would not have received any other sums (such as home loss and disturbance payments which would be due if compulsory purchase rules applied) and they would have had to pay their own fees and costs. Thus, if the Council is prepared to assist these individuals it should do so on the basis that it leaves them in the same position, as they would have been if they had been able to sell on the open market – the Council to buy at market value only with each party bearing its own costs.
- 8.5 As set out in paragraph 5.2 above and in the exempt report, subject to the approval of the London Housing Board, there is some capital funding available which may be available to finance these acquisitions. Alternatively, it would be possible, subject to the Private Sector Leasing Scheme being varied to make use of acquired properties, for the acquisitions to be funded through prudential borrowing.
- 8.6 At present the same problems are not presenting themselves in the West Hendon regeneration area as the selected Registered Social Landlord, Metropolitan Housing Trust, has indicated its willingness to acquire properties in advance in cases of hardship.

RECOMMENDED PROCEDURES

- 8.7 It is recommended, subject to the necessary funding being in place and any necessary approval of the Office of the Deputy Prime Minister, that in those cases where owner/occupiers within the Stonegrove and Grahame Park housing estates regeneration scheme areas who wish to sell and move away but who have been unable to do so and are now suffering hardship, the Council enters into negotiations with them to purchase their properties at market value and with each party paying their own costs.

OTHER ACQUISITIONS

- 8.8 As referred to in paragraph 5.2, there is a sum of money which has been made available by the London Housing Board to be used for advanced acquisition of properties required for the housing regeneration schemes. There are time limits within which this funding has to be spent. The decision on Site C at Stonegrove and the preliminary work by officers on Site A/B presents an opportunity to spend this money for the future benefit of the regeneration scheme.
- 8.9 It is recommended that, subject to the necessary funding continuing to be available, that on Stonegrove the Council enters into negotiations to acquire the interests of all the owners of dwellings in Collinson, Goldsmith and Powis Courts either through purchase or by securing signed options from leaseholders that they will dispose of their properties to the council.

9. LIST OF BACKGROUND PAPERS

- 9.1 None

MO:
BT:

TEMPORARY LETTING ARRANGEMENTS

Based upon an average unit purchase price of say £150,000, the annual cost to the Council if the property is used for temporary housing purposes could be as follows:

Costs per property - assumed 3 year period

Acquisition costs

	£
Purchase price	150,000
	£
Add Stamp Duty Land Tax	1,500
	£
Add fees and costs say	14,800
	<hr/>
	£
Total capital cost	166,300

		£
Annual cost of prudential borrowing	Year 1	3,600
		£
	Year 2	13,000
		£
	Year 3	12,460
		£
	Average	9,687

Renting costs

Initial repairs	
Furnishings	
Annual equivalent over 3 years	£
say	3,800

	£
Annual rent income	15,293

LESS

	£	
Borrowing cost as above	9,687	
	£	
Annual equivalent	3,800	
	£	
Management	3,000	
	£	£
Void	700	17,187
	<hr/>	

Net rent received/(shortfall) **(£1,893)**