

AGENDA ITEM: 6 Page nos. 13 - 19

Meeting Cabinet Resources Committee
Date 10 November 2005
Subject **South Friern Library and adjoining premises**
Report of Cabinet Member for Resources
Summary To report the outcome of best and final offers from the two short-listed parties and to seek authority to proceed with the freehold sale of the property.

Officer Contributors Rob Colville, Principal Valuer
Status (public or exempt) Public - with a separate exempt section
Wards affected Coppetts
Enclosures Appendix A – Submission summaries
For decision by The Committee
Function of Executive
Reason for urgency / exemption from call-in (if appropriate) N/A

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1. RECOMMENDATIONS

- 1.1 That the recommendation set out in the Exempt report for the freehold sale of the South Friern Library site and adjoining properties be approved.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Council 2nd March 2004 resolved to keep South Friern Library open for a further six months whilst possible redevelopment options were considered.
- 2.2 Cabinet Resources Committee 18th March 2004 approved the invitation to interested parties to submit redevelopment proposals to include the reprovision of a library facility.
- 2.3 Cabinet Resources Committee 17th March 2005 agreed that two tenderers be invited to work up scheme proposals for discussion with the Head of Planning and to submit final financial offers with results 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 result in the achievement of a new library facility and a capital receipt which could be used to assist in funding the capital programme.

4. RISK MANAGEMENT ISSUES

- 4.1 Both bids have been submitted subject to the grant of planning permission for the scheme proposals outlined in Appendix A and the exempt report. Should the chosen tender be delayed or their planning application fail to be granted the receipt of the capital bids detailed in the exempt report and the delivery of the replacement library facility may be at risk. Negotiations with the Planning Department, Highways & Design and Housing Strategy & Development have been facilitated so as to reduce the likelihood of any problems occurring at the planning application stage.
- 4.2 The risk of the winning tenderer failing to complete the purchase of the property has been minimised by enquiries made by Council Officers into the financial status of the two short-listed parties. This has revealed that both parties appear to be solvent and are established property developers in a position to complete the purchase without delay.

5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

- 5.1 The Council will need to employ the equivalent of 3.5 full time staff to manage the replacement library facility.
- 5.2 Assuming the replacement library facility is of the same size as the existing library, then the existing revenue budget can be retained and should be sufficient in the future, although there may well be a short-term revenue saving whilst the development work takes place. If the fit out costs are in excess of any contribution from the developer then these additional costs should be taken from the capital receipt.
- 5.3 Further financial implications are set out in the exempt report.
- 5.4 The property issues are set out below.

6. LEGAL ISSUES

- 6.1 Turning Point, currently in occupation of the Sutton Road Clinic, have given officers notice of their intention to vacate the premises within the month of October. Possession will be regained and all outstanding rent collected. The disposal of the property ought not to be delayed should vacant possession be secured.

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 In accordance with the decision of this committee, the two short-listed parties were invited to make further enquiries with the Planning Department, Highways & Design and where appropriate, Housing Strategy & Development, so as to refine the details of their submissions. Both parties were given specific feedback with regard to their initial proposals as well as any further scheme drawings that were made. A deadline of the 15th September 2005 was set by which all best and final offers were to be received by the Property Services & Valuation Group in light of these further discussions. The details of the two submissions and comments thereon are set out in Appendix A and in the exempt report.
- 8.2 Both of the schemes submitted involve the sale of the freehold interest in the South Friern Library, the adjoining Sutton Road Clinic and the public conveniences situated on Colney Hatch Lane to the tenderer. The tenderer will subsequently erect a replacement library facility upon the site and will grant the Council a long leasehold interest in this library facility at a peppercorn rent. The Council will be liable to pay a service charge for the use of any common parts or services. Both schemes also involve the erection of a residential component of varying scales.
- 8.3 Both proposals involve the Council receiving a capital receipt for the transfer of the freehold interest in the site to the developer as outlined in the exempt report.

9. LIST OF BACKGROUND PAPERS

- 9.1 None.

BS: CM

BT: JEL

Bid No.	TENDERER	PROPOSAL	LIBRARY FACILITY	PLANNING COMMENT	OTHER COMMENT
1	Intro from JLP Homes	<p>The bid is submitted subject to the grant of planning permission for the proposed scheme and a site survey.</p> <p><u>OPTION 1 – 21 Unit scheme with 30% affordable housing for social rent</u> A mixed use scheme combining a 4,700 sqft (super) replacement library facility (shell finish only), 21 residential units and 23 parking spaces. 6 of the residential units are to be allocated for social rent and will be transferred to Warden Housing Association at 60% TCI. The units are designated as follows:</p> <p>Private ownership 12 * 2 bed/3 person 3 * 2 bed/4 person</p> <p>Affordable units 5 * 2 bed/3 person 1 * 1 bed/2 person</p>	<p>The replacement library facility is offered to a shell finish. The freehold of the whole site will be transferred to Intro Homes. Intro Homes will grant the Council a 999 year lease of the library element to the Council at a peppercorn rent. The level of service charge will require further consideration once the figures are available, but will be calculated on a proportional basis. The Council’s mobile library will be utilised, at the cost of the Council, as a temporary measure during construction.</p> <p>The construction of the scheme is expected to be complete within a maximum of 69 weeks. This figure will reduce depending upon the chosen option.</p>	<p>Planning officers previously expressed concern as to the density of the proposed scheme, issues of overlooking and the living conditions of the flats on the basement level. The proposed development has been reduced in size, reducing the impact of some of the above detailed issues. Nevertheless, officers continue to express significant concern as to the standard of accommodation that would be provided for the residential units at the lowest level. Furthermore, it is felt that concerns regarding the design approach to the Sutton Road element and its relationship to existing buildings therein have not been addressed. As such it could be argued that the building is conceived as one mass with a coherent design approach, rather than breaking the development into constituent parts, which would allow it to relate to the street scene within which it would be read. In summary, planning officers continue to raise a number of issues that would prevent the scheme from being favourably recommended at the present</p>	<p>Housing Strategy & Development raised some initial concern that the scheme had allocated only 30% of the residential units as affordable when the necessary figure is now 50% as defined by the emerging Barnet Unitary Development Plan. The lower figure may be considered acceptable because of the library re-provision and the potential for the clinic to be relocated elsewhere within the borough. However Housing Strategy & Development would rather see the residential element designed as 2 bed/4 person units instead of 2 bed/3 person units.</p> <p>Highways & Design believe that there exists an under-provision of car parking spaces. The existing scheme allocates 23 spaces (one per unit plus 2 for the library staff). 3 spaces will be marked for disabled use. Highways & Design specify that in order to meet the standards required 31 spaces should be provided and any reduction would need to be justified. They also have concern as to the</p>

		<p><u>OPTION 2 - 21 Unit scheme with 30% affordable housing for shared ownership</u> A mixed use scheme combining a 4,700 sqft (super) replacement library facility (shell finish only), 21 residential units and 23 parking spaces. 6 of the residential units are to be allocated for shared ownership and will be transferred to Warden Housing Association at 60% TCI. The units are designated as follows:</p> <p>Private ownership 12 * 2 bed/3 person 3 * 2 bed/4 person</p> <p>Affordable units 5 * 2 bed/3 person 1 * 1 bed/2 person</p> <p><u>OPTION 3 – 100% Private Scheme which includes an off-site contribution</u> A mixed use scheme combining a 4,700 sqft (super) replacement library facility (shell finish only), 21 residential units and 23 car parking spaces. No provision of affordable housing.</p>		<p>time.</p>	<p>location of the refuse collection point, which is more than 10 metres from the public highway.</p>
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		<p>A commuted payment to be deducted from the offer price and “ring-fenced” in an affordable housing fund. Off-site contribution included within offer price. Amount undisclosed.</p> <p><u>OPTION 4 – 14 Unit scheme</u></p> <p>A mixed use scheme combining a 4,400 sqft (super) replacement library facility (shell finish only), 14 residential units and 14 car parking spaces.</p> <p>No allowance has been made for a S106 contribution on any of the options other than the inclusion of affordable housing detailed in option 1 and 2.</p>			
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2	Acorn Homes	<p>The bid is submitted subject to the grant of planning permission for the proposed scheme and a site survey.</p> <p>A mixed use scheme combining 4 x 3 bed semi-detached houses, 8 x 2 bed flats and 2 x 1 bed flats as well as a replacement library building.</p>	<p>The library will be built to provide approximately 400 sq m of space, and an allowance has been made as a contribution towards internal fit-out (as detailed in the exempt report). The freehold of the site will be transferred to Acorn Homes. Acorn Homes will grant the Council a 999 year lease of the library element at a peppercorn rent. The level of service charge will require further consideration, but will be calculated on a proportional basis. The scheme has been phased so as to cause minimal impact upon the library service provision during the development period.</p>	<p>The scheme submission contains the nucleus of an acceptable scheme. Officers previously raised some concern as to the specific design approach of the library element and the relationship of the element of the building that fronts Sutton Road to the existing houses in the street. Revised submissions from the tenderer indicate that a design approach could be adopted that would ensure that the Colney Hatch Lane element would not be unduly prominent in terms of roof height and the setting back of the upper floor. The design approach to the Colney Hatch Lane frontage may require further discussions, although indications are that a design approach could be achieved that allows this part of the building to have a more comfortable relationship with the existing buildings in Sutton Road than the previous indicative plans. In summary, officers consider that the proposal continues to progress towards a scheme that may be favourably recommended.</p>	<p>The residential element contains less than 15 units so the scheme does not need to provide any affordable housing allowance.</p> <p>Highways & Design believe that the provision of car parking is adequate for the scheme, but have concerns as to the distance between the refuse area and the highway. This has been broached with Acorn and suitable solutions discussed. There exists no designated loading bay for the library, although Acorn believe that they may allocate a bollarded, off-street area to the front of the library if deemed appropriate.</p>
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