

AGENDA ITEM: 14

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Meeting	Cabinet Resources Committee
Date	30 March 2006
Subject	Perryfields site, Tyrrel Way, NW9 – disposal terms
Report of	Cabinet Member for Resources Cabinet Member for Regeneration
Summary	To approve the terms negotiated for the freehold sale of the Perryfields site to facilitate the West Hendon regeneration scheme.

Officer Contributors	Dave Stephens, Strategic Property Advisor
Status (public or exempt)	Public – with a separate exempt report.
Wards affected	West Hendon
Enclosures	Plan of site
For decision by	The Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information:
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1 RECOMMENDATIONS

- 1.1 That the terms for the freehold sale of the Perryfields site at Tyrrel Way, West Hendon to one of the partner organisations carrying out the West Hendon regeneration project be approved and that the appropriate Chief Officers be instructed to complete the sale subject to the prior transfer of the freehold of the site to the Council by Ealing Family Housing Association.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Council 23.10.2000 – agreed the selection of Ealing Family Housing Association to take a transfer of the majority of the Council's elderly persons residential care homes and day centres on the basis that these would be replaced with modern facilities.
- 2.2 Cabinet 22.7.2002 – approved Metropolitan West Hendon consortium as the Council's preferred development partner for the regeneration of the West Hendon area.
- 2.3 Cabinet 5.11.2002 – approved the swap of sites in Claremont Road, NW2 and East Road, Burnt Oak with Ealing Family Housing Association upon which to develop replacements for the Perryfields and Merrivale elderly persons care homes and day centre.
- 2.4 Cabinet Resources Committee 18.9.2003 – approved in principle the freehold sale for residential development of the Hendon Football Club site in Claremont Road and adjacent land.
- 2.5 Cabinet Resources Committee 8.7.04 – amongst other matters agreed that subject to the grant of planning permission, the removal or modification of the restrictive covenant and the conclusion of terms with Hendon Football Club for the surrender of its lease, the freehold interest in an appropriate area of land at Claremont Road, NW2 be transferred to Ealing Family Housing Association for the building of a replacement for the Perryfields elderly persons care home and day centre in exchange for the transfer back to the Council of the current Perryfields site at Tyrrel Way, West Hendon
- 2.6 Cabinet 30.8.05 – amongst other matters agreed that approval be given to enter into a Principal Development Agreement with Metropolitan West Hendon, Metropolitan Housing Trust, Metropolitan Living Limited, Barratt Homes Limited and Barratt Development plc for the regeneration and redevelopment of the West Hendon area. It was noted that by entering into the Principal Development Agreement the Council was agreeing, subject to the consent of the ODPM, to all the land and buildings within its ownership, with the exception of the Perryfields care home site and the Lakeview Nursery site, being transferred at nil value to Metropolitan West Hendon subject to the provisions within the Principal Development Agreement. It was further agreed that the appropriate Chief Officers should report to a future meeting of the Cabinet Resources Committee for

approval of the terms of disposal to Metropolitan West Hendon of the freehold of the Perryfields care home site.

3 CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The Corporate Plan commits the Council to providing first class care for vulnerable adults. In April 2001 the Council entered into a 15 year contractual relationship with Ealing Family HA and their care partner, the Fremantle Trust, to provide modernised residential and day care facilities for older people. Amongst other things this involves the replacement of 10 of the Council's Care Homes with 6 new, larger, Homes and 4 new day centres that meet the new standards for residential care contained in the Care Standards Act 2000. This new provision is central to the Community Care Service's ability to purchase quality residential and day care services that meet both users' aspirations and their care needs.
- 3.2 The Council is also committed to advancing the West Hendon regeneration area.

4 RISK MANAGEMENT ISSUES

- 4.1 By entering into an agreement for the onward sale of the land if the Perryfields site gets transferred back to the Council by Ealing Family Housing Association, the Council will avoid having to incur responsibility and expenditure for the security and maintenance of the site other than for a very short period.

5 FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

- 5.1 The negotiated purchase price is set out in the exempt report. This has been based upon the value of the site for the development of the care home and day centre for which Ealing Family Housing Association achieved a conditional planning permission. Because this is a negotiated figure and has not been market tested, in line with the rules for the disposal of land and real property as set out in the Constitution, Donaldsons have been asked to prepare a market valuation of the site.
- 5.2 Subject to Donaldsons valuation, it is considered that the price negotiated reasonably reflects market value. If the regeneration partners are asked to pay a higher figure this will impact on the West Hendon regeneration scheme business plan viability. If Donaldsons arrive at a site value greater than that negotiated then, if the sale is to proceed at the negotiated sum, then, as it would be a sale which would not meet the requirements of Section 123 of the Local Government Act 1972, there is provision to seek the consent of the ODPM to a sale at less than market value. However, the Local Government Act 1972: General Disposal consent (England) 2003 provides that specific consent is not required for the disposal of any interest in land which the authority considers will help it to secure the promotion or improvement of the economic, social or environmental well-being of its area, so long as the undervalue does not exceed £2,000,000. The regeneration of West Hendon will secure improvements to the economic, social and environmental well-being of the area.

- 5.3 The proceeds from the sale of the Perryfields site can be used to off-set the costs arising from the site swaps agreement with Ealing Family Housing Association (see the exempt report).

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 Constitution – Rules for the disposal of land and real property – On any disposal of property, proper regard will be had to the professional advice from a qualified valuer at all relevant stages in the process and where the Director of Resources or designated officer, the Cabinet Member for Resources or the relevant body deems it appropriate, independent valuation advice shall be obtained.

8. BACKGROUND INFORMATION

BACKGROUND

- 8.1 In 2001, as part of the project to deliver modern residential and day care services and accommodation for the elderly, the Council transferred various of its then existing care homes and day centres to Ealing Family Housing Association (Ealing Family). One of these homes was Perryfields at Tyrrel Way, West Hendon (shown shaded on the accompanying plan and having an area of approximately 0.288 hectares/0.711 acres). In 2002 conditional planning approval was given to redevelop the site with a 3 storey building providing a 52 bed residential care home and a 50 place day centre with associated car parking. Ealing Family demolished the former building and the site has remained un-used and fenced.
- 8.2 Subsequent to the transfer to Ealing Family it arose that the redevelopment of the site for a new care home and day centre would adversely impact on the West Hendon regeneration scheme. To overcome this problem it was agreed with Ealing Family that it should instead build the replacement care home and day centre on part of the Hendon Football Club site at Claremont Road. Outline planning permission has been granted for such use.
- 8.3 The Council has entered into an agreement with Ealing Family to affect the freehold swap of the Claremont Road site for the Perryfields site conditional upon various matters being satisfactorily resolved, including the release or modification of the restrictive covenant affecting the Claremont Road land. An outline of the financial arrangements attaching to the lands swaps is set out in the exempt report.

SALE TERMS TO THE REGENERATION PARTNER

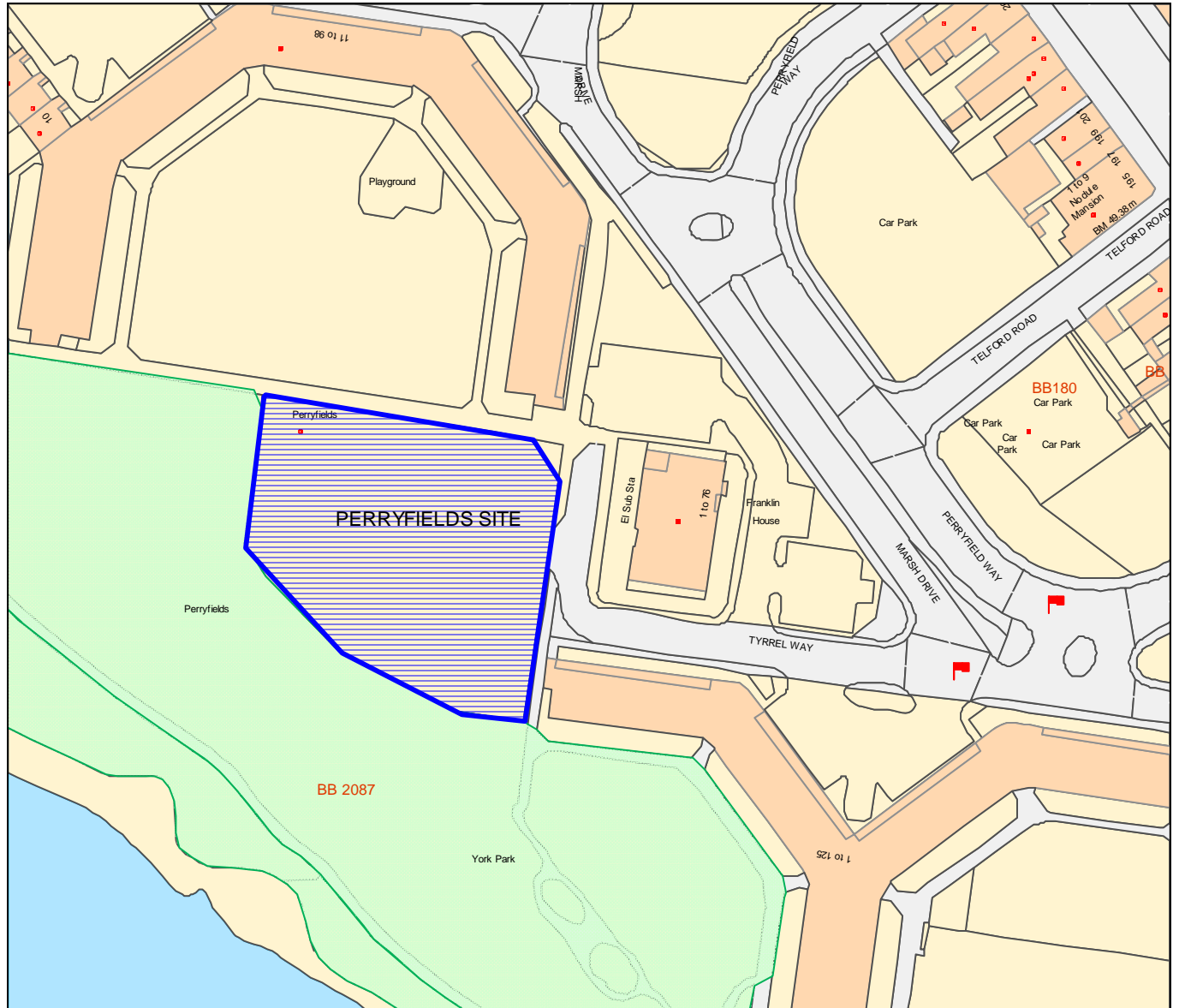
- 8.4 The terms of the Principal Development Agreement for the West Hendon regeneration scheme are close to finalisation. It is a condition precedent in the Agreement that the terms for the freehold sale of the Perryfields site to the regeneration partner (subject to the site swaps agreement with Ealing Family becoming unconditional and the freehold of the Perryfields site being transferred to the Council) are approved by the appropriate Council committee.
- 8.5 It has been provisionally agreed that the Perryfields site, once in Council ownership, will be sold to the appropriate development partner for the sum referred to in the exempt report. Because there will be a delay before the land is within the Council's ownership it has been further agreed that the purchase price will be index linked with effect from 1 April 2006. The reason that the agreement of the sale figure is not to be left until the actual date of transfer is that the development partner needs a degree of certainty for the West Hendon regeneration business plan.
- 8.6 The regeneration partners include Metropolitan Living Limited, Metropolitan Housing Trust Limited, Barratt Homes Limited and Barratt Developments plc. At this stage it is not certain which organisation in the partnership will be responsible for taking property transfers. In the case of the Perryfields site it is intended that this should be transferred to the same organisation which takes the transfer of all other lands required for the regeneration project.
- 8.7 If the site swaps agreement with Ealing Family does not become unconditional the swaps will not occur and the agreement for the sale of the Perryfields site for the West Hendon regeneration project will become void.

9. LIST OF BACKGROUND PAPERS

- 9.1 None.

Legal: PJ
CFO: CM

Plan of Perryfields site, Tyrrel Way, West Hendon NW9



Not to scale

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