

**AGENDA ITEM: 5**

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Meeting	Cabinet Resources Committee
Date	28 June 2006
<b>Subject</b>	<b>Land adjoining St James School, Great Strand, Grahame Park NW9</b>
Report of	Leader of the Council
Summary	To seek approval to the sharing of the proceeds of sale.

Officer Contributors	Dave Stephens, Strategic Property Advisor
Status (public or exempt)	Public (with a separate exempt section)
Wards affected	Colindale
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: Dave Stephens – 020 8359 7353

## **1 RECOMMENDATIONS**

- 1.1 That the Council's share of the proceeds of sale as set out in the exempt report 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.
- 2.5 Cabinet Resources Committee 28.4.05 – considered a report explaining that Martin Grant Homes had to revise its offer to reflect the fact that the Key worker housing element could no longer be funded by a Registered Social Landlord and agreed a revised lower offer.

## **3 CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 The Corporate Plan 2005/6 to 2008/9 includes an objective to improve asset management by meeting capital receipt targets through the disposal of surplus lands.

## **4 RISK MANAGEMENT ISSUES**

- 4.1 Completion of the sale of the land will be on 19 July 2006. The parties need not necessarily agree the sharing of the sale proceeds by that date but if it is not so agreed the proceeds will be held by the School's solicitor pending agreement being achieved. There is provision for any dispute to be referred to arbitration with the parties sharing the costs equally.

## **5 FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS**

- 5.1 The financial implications are set out in detail in the exempt report.

- 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 Contracts with Martin Grant Homes for the sale of the land at Great Strand and which is owned in part by St James School and part by the Council were exchanged in late 2005. The contracts were subject to Martin Grant Homes achieving a satisfactory planning permission, to there being no adverse soil conditions and to entering into an agreement with a Registered Social Landlord (RSL) to acquire the affordable housing units. They were also subject to the School securing the consent of the Department for Education and Skills (DfES) to the land sale.
- 8.2 Martin Grant Homes has confirmed that the soil survey results are satisfactory and it has been granted an acceptable planning permission. It has also entered into an agreement with the Genesis Housing Group for the sale of the 10 units of affordable housing – to which the Council will have nomination rights. St James School has been given consent by the DfES to sell its land. Thus all conditions are now satisfied and the land sales will be completed on 19 July 2006.
- 8.3 Following negotiations with the School's agents a sharing of the proceeds of sale has been provisionally agreed. The Council's share of the proceeds of sale has been assessed in accordance with the terms of an agreement concluded between the School and the Council and which provided that the following costs would be deductible from the gross proceeds:

All proper costs incurred by the School in securing the resolution to grant planning permission for the development of the land;

The proper costs associated with obtaining soil test results for the land;

The proper costs for marketing the land and any associated negotiations;

The proper legal and surveyors' fees in connection with the sale of the land

- . The details of the provisional agreement are set out in the exempt report.

## **9. LIST OF BACKGROUND PAPERS**

9.1 None.

Legal: SWS

Chief Finance Officer: CM