

ACTION TAKEN BY CABINET MEMBER (EXECUTIVE FUNCTION)

Subject	Parcel of Land Adjacent to the Site of the Former Chandos Lodge Broadhead Strand Grahame Park NW9 5PY
Cabinet Member	Deputy Leader of the Council / Cabinet Member for Resources and Performance
Date of Decision	22 November 2013
Summary	Authority is sought to sell the council's freehold interest in a parcel of land comprising 127 sq metres in Broadhead Strand Grahame Park NW9 5PY to Catalyst Housing Limited a Charitable Housing Association.
Officer Contributors	Richard Malinowski – Principal Valuer (Property Services) Nicola Bird – Housing Development Partnership Manager
Status (public or exempt)	Public
Wards affected	Colindale
Enclosures	Plan number 13_637 (showing the extent of the site in blue schematic elevation)
Reason for exemption from call-in (if appropriate)	N/A
Key decision	No

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1. RELEVANT PREVIOUS DECISIONS

- 1.1 None

2. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 2.1 The Corporate Plan 2012-13 commits the Council to delivering better services with less money. A key principle of the medium term financial strategy is to continually review the use of council assets so as to reduce the cost of accommodation year on year and to obtain best consideration for any surplus assets to maximise funds for capital investment and/or the repayment of capital debt. This proposal does this by producing a capital receipt and reducing maintenance and management costs

3. RISK MANAGEMENT ISSUES

- 3.1 If the land is not sold to Catalyst the Council will be left with an isolated and possibly valueless parcel of land in the middle of a new housing scheme which will become part of the street space and possibly waste ground.

4. EQUALITIES AND DIVERSITY ISSUES

- 4.1 The Council's Equalities Policy and Scheme take account of the Council's statutory duty to eliminate discrimination and inequality amongst persons of different race, gender and disability and to promote equal opportunities amongst persons of different race, gender and disability. The proposed disposal has been evaluated against the principles in the Equalities Policy and no adverse implications for any, specific, equalities group has been identified. Incorporating the parcel of land within the scheme proposed by Catalyst increases the availability of affordable housing

5. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 5.1 There are no procurement, performance and value for money, staffing, IT or sustainability implications. The property implications are set out in paragraph 8 below.
- 5.2 The sale of the site will provide a capital receipt of a minimum of £18,500 on the basis of an "unconditional on planning" sale completed on or before 26 November 2013 and if not completed by that date then rising to £19,300 payable on the grant of an acceptable planning

permission involving 15 residential units and the completion of a Section 106 which will secure a minimum of 40% affordable housing.

6. LEGAL ISSUES

- 6.1 Local authorities are given powers under Section 123(1) of the Local Government Act 1972 to dispose of land held by them in any manner they wish. The only constraint is that, except with the consent of the Secretary of State, a disposal must be for the best consideration reasonably obtainable. It is the view of the Valuation Manager that the proposed disposal to Catalyst will achieve this.

7. CONSTITUTIONAL POWERS

- 7.1 Council Constitution, Responsibility for Functions, states in paragraph 4.6 the functions delegated to the Cabinet Resources Committee including all matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.
- 7.2 Council Constitution, Management of Assets, Property and Land Rules, states in paragraph 6.3 - asset acquisition, development and disposal decisions will be taken upon the basis of Best Consideration applicable at the time of the decision, rather than best price; paragraph 8.1 states - the method by which an Asset is acquired or disposed of should be based upon market testing to ensure that Best Consideration is obtained wherever possible.
- 7.3 Appendix 1 of the Management of Asset, Property and Land Rules - the Cabinet Member may use Delegated Powers to authorise land sales up to a £100,000.

8. BACKGROUND INFORMATION

- 8.1 Catalyst Housing Limited is a Registered Charity and one of the leading housing associations in London and the South East of England. Catalyst Housing Limited was established on 30 September 2011 and their parent company is the Catalyst Housing Group.
- 8.2 The site of Chandos Lodge was transferred by Barnet Council to Barnet Community Homes, part of the Catalyst Housing Group (at the time known as Ealing Family Housing Association) on 2 April 2001. The Transfer followed from the contract entered into between Barnet Council and Catalyst to provide care homes in the borough.
- 8.3 The parcel of land comprising 127 sq metres and the subject to this report is shown coloured blue on drawing No 13_637. The land adjoining owned by Catalyst comprising 1,682 sq metres is shown coloured red. The land shown in blue and red has been identified for

development within the Grahame Park Regeneration Master Plan. The scheme proposed by Catalyst involves a development of 15 residential units.

- 8.4 The original Transfer was subject to a restrictive covenant that in the event of a future development for social housing, Catalyst would be required to provide 100% nominations to London Borough of Barnet on any affordable homes delivered until April 2016. Catalyst have now put forward detailed proposals for the regeneration area and for the combined site to provide up to 15 homes which will form part of the GLA affordable housing target and rank for an affordable housing grant within that programme. If included within the GLA Affordable Housing programme, the Council will continue to have nomination rights over the new homes.

- 8.5 Terms have been agreed with Catalyst to transfer the parcel of land coloured blue detailed in Paragraph 6.2 above and subject to the same restrictive covenant relating to nomination rights that bind the adjoining land owned by Catalyst. They have submitted the following proposal for our consideration.

- 1) Sale price £19,300 subject to planning consent for 15 units and completion of a Section 106 Agreement.
- 2) To accelerate the purchase they have also tabled an unconditional offer of £18,500.
- 3) Payment of our legal fees up to a maximum of £1,000

They are seeking to exchange Contracts by 26 November, basically allowing 2 weeks for the DPR and 2 weeks for the completion of legal documentation and if possible they wish to complete by the end of November. Catalysts solicitors have carried out all searches so the documentation should be relatively simple. Property Services are seeking approval to proceed on either basis.

- 8.6 Property Services have checked possible planning options with planning colleagues and have established that consent for the 15 units proposed is a realistic proposition and thus a total capital receipt of £19,300 was a reasonable assumption. Planning colleagues have submitted a report to the Planning Committee convening on the 17 October 2013 and the completion of a section 106 is expected towards the end of December.

- 8.7 Thus a completion around the 26 November 2013 will provide a capital sum of £18,500 but this could increase to £19,300 once planning consent is obtained and a the Section 106 Agreement is signed towards the end of December 2013. The Valuation Manager confirms that the price equating £18,500 unconditional on planning and £19,300 assuming full planning consent is granted for 15 residential units comprises best consideration in accordance with Section 123 of the Local Government Act 1972. Due to the pressures to start construction

work, an earlier transfer is required and so the most likely capital receipt will be £18,500.

9. LIST OF BACKGROUND PAPERS

9.1 None

10. DECISION OF THE CABINET MEMBER(S)

I authorise the following action

10.1 The sale of the Council's freehold interest in the land shown coloured blue on the attached plan no. 13_637 to Catalyst Housing Limited (Catalyst) on the terms detailed in this report.

Signed



**Deputy Leader of the Council / Cabinet
Member for Resources and Performance**

Date

22 November 2013

Council Freehold - Approx 127m²
 Catalyst Housing Freehold - Approx 1683m²

Approximate areas based on Land Registry Index Map, certificate reference 043/03216/002.

FOR COMMENTS		PTEa	
Date: 13/05/13 By: [Signature] Title: [Signature]		PTEa Preston Town Estate Agency 13, 637 SK123	