



BARNET DEVELOPMENT PIPELINE

REPORT ON THE PROPOSED DEVELOPMENTS AT MOXON STREET & COPPETTS ROAD- July 2015

1. INTRODUCTION:

This report sets out a brief business case for both Moxon Street and Coppetts Road, and seeks approval on one of two options (described below) going forward relating to the Moxon Street site, and also seeks approval on the proposed scheme at Coppetts Road. These two sites form part of Phase 2 of Tranche 1 of Barnet's Development Pipeline programme.

A further report is to be presented to the ARG committee in September 2015 outlining a detailed business case, preferred development option, and funding route for all five sites.

2. BACKGROUND

MOXON STREET & COPPETTS ROAD

The Assets, Regeneration and Growth Committee approved at its meeting on the 9th July 2014 the approach to, and the principles underpinning, the creation of a Development Pipeline, and that an initial list of potential development opportunities to bring forward sites which were declared surplus to requirements.

The Committee further approved at its meeting on the 8th September 2014 that following consultation with Ward Members the potential development opportunities at Broadfields, Whittings Hill, Northway/Fairway, Coppetts Road and Moxon Street can be taken forward to planning.

The Committee approved at its meeting on the 16th March 2015 a further recommendation to agree in principle to take forward the development opportunities at Broadfields, Whittings Hill, Northway/Fairway, closely followed by Moxon Street and Coppetts Road.

The Assets & Capital Board approved at its meeting on the 11th February 2014 that the Council could invest to re-provide a new Community Building for the Somali Bravenese Welfare Association (SBWA) on an alternative site at Tarling Road, East Finchley.

3. PROPOSED DEVELOPMENTS - SCHEMES AT 1-7 MOXON STREET & 44 TAPSTER STREET AND THE INCLUSION OF THE LAND ADJACENT TO THE OLD PRINTWORKS, TAPSTER STREET, BARNET.

The two options for consideration relating to the Moxon Street and Coppetts Road sites are as follows:

- A) For the Council to stand alone and develop its existing site as it is.



- B) For the Council to acquire an adjoining piece of land, namely, Land adjacent to The Old Printworks, Tapster Street, Barnet to enlarge the site and its development opportunities.

SITE LOCATION & DESCRIPTION

Moxon Street runs off the East side of Barnet High Street. The Council's site comprises of two parts, namely, Nos. 1-7 Moxon Street and at its rear No.44 Tapster Street. This site falls within the High Barnet ward.

1-7 Moxon Street are located adjacent to the back of the retail units (Foxtons), and this section of the site is opposite an unpleasant looking car repairing workshop, and there are residential units to the East.

This property comprises a range of intercommunicating buildings over a site area totalling approximately 8,325 sq ft. These include a single storey warehouse, a lean-to and a two storey section comprising retail on the ground floor and offices above. The property is let out to Checkalow Ltd, a retail ceramic tiling company. The company is holding over under a lease (2 years) that expired on 28/09/1992 (23 years ago) at a rent of £22,500pa, and thus still have protection under the Landlord and Tenant Act 1954. The lease is granted on full repairing and insuring terms. The buildings are nearing the end of their useful life. Should possession be needed we are not aware of any significant tenant's improvements that would require compensation under the Landlord and Tenant Act 1927 Act, however a compensation of twice rateable value will fall due to the tenant if possession resulted from a hostile Section 25 Notice. The current RV is in the region of £40,000. Merely on reputational grounds, it is the Council's property services team's preference to re-house the existing tenant within the proposed development, with a new lease and a proposed rent that will reflect today's market.

The above property backs onto Council owned 44 Tapster Street, a former builder's yard in a street comprising residential units and businesses uses. This property is now disused and boarded up. The site extends to approximately 9,500 sq ft. Parts are surfaced with concrete and parts are unmade. The single storey storage type buildings that remain on the site are dilapidated and arguably no longer capable of occupation and use.

The two sites are contiguous, although on the corner site to Moxon Street and Tapster Street there are two early Victorian pair of houses, and these are Grade II listed.

3.3 NEGOTIATIONS TO DATE WITH ADJOINING OWNER

Re on behalf of the Council has over the last few years been working to redevelop this site in conjunction with the owner (Richard Mason) of an adjoining site, namely, The Old Printworks, Tapster Street, Barnet. Both parties agree that the marriage (in one deal form or another) of the two sites will produce the best development profile and profit. The Council appreciates that development on its site alone is restricted with respect to overlooking the two Grade II listed early Victorian pair of houses.

There have been two joint venture schemes that have been explored using both sites to provide a flatted development with basement parking. After extensive discussions the joint venture approach could not be agreed. Richard Mason did offer to buy the Council's interest based on the existing use value of the site, plus an overage upon eventual sales reflecting the land ownership areas in the scheme. This was rejected by the Council, and a greater upfront payment was sought, which was rejected. Recently, Richard Mason obtained



planning permission for commercial development on part of his land directly adjoining 44 Tapster Street known as, land adjacent to The Old Printworks, Tapster Street, Barnet.

Over the last couple of months negotiations have resumed with Richard Mason and meetings have been held with his representatives and representatives of the pipeline team to see if a deal could be reached between the parties. From the outset Richard Mason expressed his concerns in entering into any form of joint venture with the Council (with the Council acting as developer) as he would not want to be exposed to potential inflating professional fees and build costs. After further discussions, he confirmed that he would be prepared to sell to the Council the piece of land which only relates to the recently obtained planning permission and on that basis after careful consideration, the Council explored and designed a new smaller scheme for the combined site based on some commercial and fewer houses, rather than blocks of flats. A viability appraisal showed that this scenario would clearly be the most profitable to date for the Council. The Council offered to purchase this land below the asking price, unconditionally as requested by Richard Mason, on the basis that it has now an established value since obtaining planning permission. After further negotiations the Council's offer was accepted, and Heads of Terms have now been agreed by both parties. The Council's offer will be subject to obtaining the ARG committee's approval to proceed. Respective lawyers have been instructed accordingly.

4. PROPOSED DEVELOPMENT - SCHEME AT THE FORMER BARNET COMMUNITY BUILDING SITE (BURNT DOWN IN 2013) AT COPPETTS ROAD

SITE LOCATION & DESCRIPTION

This site is located on the eastern side of Coppetts Road which is approximately 100 metres south of the intersection with Trott Road, also south of the North Circular Road (A406). The nearest underground stations are East Finchley and Bounds Green. The area is served by bus routes. The site falls within the Coppetts ward.

The site, is an irregular piece of land covered in a foundation slab and some parts covered with tarmac approximately 1,592 sqm/ 0.16 Ha/ 0.4 acres, which is boarded to the east by Coppetts Wood Primary School and Children Centre, to the west and south with residential dwellings, to the north allotment land. To the south there is also an area of open space, known as Halliwick recreation ground.

The Barnet Council Community Centre which was located at this site and which had been occupied under a lease by the Somali Bravenese Welfare Association (**SBWA**) since 2000, was burnt to the ground in June 2013 after an arson attack. the SBWA was still occupying the premises and 'holding over' under the lease. The building had not been kept fully in repair and nor was it fully compliant however the SBWA had been having discussions with the Council in order to try and seek external funding, either to refurbish the existing building or to consider an alternative re-provision.

In the interim, The SBWA has been temporarily re-housed by the Council on the first floor of Barnet House under a licence agreement

The Council is in the process of working up proposals to re-provide a new Community Building for the Somali Bravenese Welfare Association (SBWA) on an alternative site at Tarling Road, East Finchley.



This site now falls within Tranche 1 (first five development sites) of the Barnet Development Pipeline, and is scheduled for residential development, and mainly for affordable housing.

5. SUMMARY - MOXON STREET AND COPPETTS ROAD

The Barnet Development Pipeline team will provide the majority of the 40% affordable housing (planning compliant) for both schemes at the Coppetts Road site, as Moxon Street seems to be a better location, and will provide the Council with higher private sales receipts.

Re is in the process of working up both schemes for planning. The two planning applications will be dealt with separately, however, they will be submitted at the same time, and treated as one, but only in relation to providing the Council with an overall of 40% affordable housing across both sites.

6. RECOMMENDATIONS

Recommendation is option B above. The anticipated purchase costs relating to this option is in the region of £750,000. This sum includes stamp duty, & legal fees but excludes other costs relating to the purchase, each landowner will be responsible for its own costs associated with the transaction.

By taking forward option B the Council is able to maximise the private sales values, and subsequently enhance (almost double – see Appendix 'A') the Council's land value & profit margin by enabling houses with private gardens to be built, rather than flats.

7. FOR FINANCIAL APPRAISALS ON BOTH SCHEMES – SCENARIOS, PLEASE SEE APPENDIX “A”