
REPORT FOR: CABINET

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| Date of Meeting: | 11 October 2018 |
| Subject: | Rayners Lane Station Car Park – Disposal of Land |
| Key Decision: | No |
| Responsible Officer: | Paul Walker, Corporate Director of Community |
| Portfolio Holder: | Councillor Keith Ferry, Deputy Leader and Portfolio Holder for Regeneration, Planning and Employment |
| Exempt: | No - except for Appendix 2 which is exempt under paragraph 3 of Schedule 12A to the Local Government Act 1972 – information relating to the financial or business affairs of any particular person. |
| Decision subject to Call-in: | No (a waiver has been granted by Chair of Overview and Scrutiny Committee) |
| Wards affected: | Rayners Lane |
| Enclosures: | Appendix 1 – Site ownership plan Appendix 2 - Exempt Appendix |

Section 1 – Summary and Recommendations

This report sets out proposals for the disposal of land at Rayners Lane Station Car Park.

Recommendations:

Cabinet is requested to:

- 1) Note the minimum sale price detailed in exempt Appendix 2 of this report.
- 2) Authorise the Corporate Director of Community, following consultation with the Portfolio Holder for Regeneration, Planning and Employment, to take all appropriate action to complete the disposal at the price reported in the Exempt Appendix of this report and on appropriate contractual terms.

Reason: The release of this land will form part of a larger site disposal which will facilitate a significant residential development comprising 100% Affordable Housing.

Section 2 – Report

Transport for London (TfL) wish to develop three station car parks in the London Borough of Harrow (LBH) for 100% Affordable Housing. Of the three car parks, Harrow Council has a freehold interest in part of Rayners Lane Station Car Park.

Appendix 1 highlights land ownership at the car park. The blue shaded land is owned by TfL. The pink shaded land is owned by LBH and is the land proposed to be sold for residential development. The land shaded green is also owned by LBH and has a Site of Importance for Nature Conservation planning designation and has no development potential and is not intended to form part of the disposal.

It is estimated that 100-120 units will be constructed on the Rayners Lane car park site together with an agreed re-provision of car parking. It is anticipated that a significant proportion of these will be London Affordable Rented (LAR) units. LBH will have nomination rights on these properties and have negotiated a right of pre-emption on the LAR units.

Having sought expressions of interest, TfL now intend to dispose of the sites through a tendering process using a LPD2 GLA framework agreement. As this process commences on 19th October 2018, TfL require LBH confirmation that

they have authority to include the LBH land in the proposed sale before tender packs are sent out.

The agreed disposal terms provide that a sale of the freehold interest in the Council's pink land will provide a minimum capital receipt as indicated in the Exempt Appendix.

The LBH land is currently let to TfL for car parking on a lease expiring 31st April 2019 at a rent of £30,225 pax.

Options considered-

Option 1 Do not sell – the land has very limited alternative use as it has no vehicular access and which would be expensive to create – so the land has only a nominal current market value.

Option 2 Sell for a capital receipt – the proposed guaranteed minimum is significantly higher than the current market value and comes with significant benefits from affordable homes with Council nomination rights.

Option 3 Take a payment in the form of residential units rather than a capital receipt – this would not be acceptable to a developer as the value of the LBH land is too small to create a separate and distinct second ownership on the site thereby complicating the tenure and estate management of the completed development.

Recommendation

Option 2 is recommended.

Performance Issues

Disposing of the land will have a positive impact by assisting the Council to achieve its Housing target under the London Plan.

Environmental Impact

The proposal does not conflict with relevant environmental legislation and no environmental impact assessments are considered necessary.

The development resulting from the sale of this property will provide the opportunity for a developer to build to modern standards with good insulation, renewable energy technologies and efficient heating, heating controls and lighting. This would result in lower carbon emissions and reduced running costs.

Risk Management Implications

There are no unmitigated risks associated with this proposal.

Procurement Implications

There are no procurement implications for the Council.

Legal Implications

Section 123(1) of the Local Government Act 1972, provides the Council with the power to dispose of land and property, provided such disposition is made for the best consideration reasonably obtainable. Officers confirm that this disposal is made at the best consideration reasonably obtainable. The Secretary of State's consent is not required where the Council obtains such consideration.

Any development of the site will require the obtaining of planning permission for the detailed proposals, which will be considered by the Council in its separate capacity as local planning authority.

Financial Implications

The proposed disposal will generate a capital receipt for the Council. Direct costs associated with the disposal such as legal fees and surveys, up to a maximum of 4% of the capital receipt, can be funded from the receipt. The net capital receipt can be used to reduce the borrowing requirements of the Council's capital programme and/or to re-invest in improving the Borough's infrastructure. Also, until March 2022, the Council has the option to apply capital receipts under capital flexibilities regulations.

The disposal will result in a loss of revenue income of £30,000 per annum and this will be managed within the Council's overall budget.

Equalities implications / Public Sector Equality Duty

Section 149 of the Equality Act 2010 requires that public bodies, in exercising their functions, have due regard to the need to (1) eliminate discrimination, harassment, victimisation and other unlawful conduct under the Act, (2) advance equality of opportunity and (3) foster good relations between persons who share a protected characteristic and persons who do not share it.

Was an Equality Impact Assessment carried out? - No

There is no requirement to carry out an equalities impact assessment for the property proposals, the subject of this report, because the impact of implementing the proposals is consistent with Corporate Estates' existing strategy for the disposal of land and buildings which has been subject to an equalities impact assessment and which identified no adverse equality impact issues.

Council Priorities

The decisions being requested will support the following key aims and Vision of the Council:

- Making a difference for the vulnerable
- Making a difference for communities
- Build a better Harrow
- Support Families

through the release of land to facilitate residential development for 100% Affordable Housing

Section 3 - Statutory Officer Clearance

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| Name: Jessie Mann | <input checked="" type="checkbox"/> | on behalf of the Chief Financial Officer |
| Date: ...28 September 2018..... | | |
| Name: Matthew Adams | <input checked="" type="checkbox"/> | on behalf of the Monitoring Officer |
| Date: ...2 October 2018..... | | |

Section 3 - Procurement Officer Clearance

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| Name: Nimesh Mehta | <input checked="" type="checkbox"/> | Head of Procurement |
| Date: ...2 October 2018..... | | |

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| Ward Councillors notified: | YES |
| EqIA carried out: | NO |
| EqIA cleared by: | Reason contained in main body of the report under heading Equalities Implications |

Section 4 - Contact Details and Background Papers

Contact: Andrew Connell
 SM Strategic Asset Management
 Corporate Estate
 0208 424 1259
Andrew.connell@harrow.gov.uk

Background Papers: None

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| Call-In Waived by the Chair of Overview and Scrutiny Committee | YES <i>Reason: Transport for London (TfL) require a clear commitment from Cabinet regarding the transaction prior to 18th October 2018 in order to meet their procurement timetable.</i> |
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