

**REPORT FOR: OVERVIEW AND  
SCRUTINY COMMITTEE**

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**Date of Meeting:** Wednesday, 20 July 2011

**Subject:** Development of Council Property Assets

**Responsible Officer:** Andrew Trehern,  
Corporate Director Place Shaping

**Scrutiny Lead  
Member area:** Cllr Stephen Wright and Cllr Sue Anderson  
Sustainability, Development & Enterprise

**Exempt:** No

**Enclosures:** None

**Section 1 – Summary and Recommendations**

This report provides Members of the Overview and Scrutiny Committee, with an overview of the Transformation Programme – Development of Council Property Assets Project.

**Recommendations:**

Members of the Scrutiny Committee are asked to consider and comment on the content of this report.

## **Section 2 – Report**

### **Background**

At the meeting of Overview and Scrutiny Committee on Tuesday 5 April 2011, Members received an oral update in respect of ‘Civic Centre Renewal’. It was agreed that a further report would be submitted to the Committee to advise Members on progress in respect of the development of the Council owned sites within the Central Harrow Intensification Area.

The Corporate Plan 2010/11 included the flagship action: ‘to prepare an Area Action Plan to deliver future prosperity for the Heart of Harrow to help the Council, the community and developers, understand and provide new development that improves environmental quality, vitality and economic quality.’ The document also included service initiatives for Place Shaping – ‘Rationalise property assets across the Borough’ and ‘Plan for development of a new Civic Centre’.

The 2011/12 Corporate Plan includes the priority action - ‘Develop a clear vision to guide the future growth and regeneration of Harrow Town Centre’.

The 2011/12 Capital medium term financial strategy (MTFS), has provided resources for asset development, Civic Centre site development, land acquisition and the enhancement of public space at strategic sites.

### **Intensification Area Action Plan (AAP)**

The Council and the GLA are preparing a joint Area Action Plan (AAP) for the Harrow and Wealdstone Intensification Area – the Heart of Harrow.

The AAP will manage and guide the delivery of some 2,500 new homes and 3,000 additional jobs in central Harrow over the next 15 years, and the provision of the essential physical, social and community infrastructure to support a growing population, which is expected to increase by approximately 5,000 over the plan period.

As a major landowner within the area, the Council has a significant role in delivering development and using its land and property assets as a catalyst for regeneration.

The AAP will involve the preparation of a master plan for the whole Intensification Area and include, amongst other things, “mini briefs” for key sites, providing guidance on

- the type, quantum and mix of development
- built form, massing, height
- site layout
- phasing and implementation

This will be undertaken over the next few months, with the aim of presenting a draft master plan to the Major Developments Panel and Cabinet in early 2012.

All land owners and developers will be expected to conform to the guidelines set out in the AAP in bringing forward development proposals.

## **Council owned Strategic Sites within the Intensification Area**

The Civic Centre site, the Byron Park site (this includes the Leisure Centre, car park, and derelict driving centre site), the Greenhill Way car park and the Gayton Road site (this includes the ex Gayton Road library site & Gayton Road car park), have become known as the 'Council's Four Strategic Sites'.

The four strategic sites in the Council's ownership make up approximately 30% of the land available for development in the Intensification Area. They occupy prominent positions in Harrow town centre, Wealdstone and Station Road and, whilst they vary in character and development potential, their size and location will require that some or all will need to be brought forward to achieve identified housing and employment targets, or meet requirements for social and community infrastructure. Between them they can do much to shape the spatial development of the entire Intensification Area.

In their current state, all four sites are under utilized with large areas of surface car parking or vacant land.

The AAP will provide the broad planning policy framework to guide the future development of the four strategic sites within the AAP area. To maximize the development potential however, will require;

- detailed commercial master planning to place the Council, as landowner, in the same position as private developers; and
- the likely involvement of a joint venture partner, to coordinate proposals and the phasing of development in order to drive commercial value consistent with wider corporate objectives.

## **Transformation Programme – Strategic Project Development of Council property Assets**

The Development of Council Property Assets Project has been initiated to:-

- Lead the adoption of the Intensification Area, Area Action Plan
- Coordinate the Council Operational Facilities Rationalisation Programme
- Development Proposals and delivery projects for the Council's four strategic sites within Central Harrow
- Bring forward the development proposals for other key Council owned sites across the Borough.

The long term benefits of the project are summarised as:-

- Stimulating growth in the local economy
- Making a substantial contribution to new housing supply.
- Making a substantial contribution to economic and spatial development objectives.
- Ensuring a substantial revenue benefit for the Council.
- Informing the infrastructure requirements to support new development and to modernise existing assets.

The initial product of this project will be used to inform the development of the 2012/13 MTFS revenue and capital.

## **Four Strategic Sites Commercial Master Plan**

The commercial master planning work related to the Four Strategic sites has commenced and is intended to report to Cabinet in early 2012.

The commercial master plan will consider various development configurations for each of the four Council owned sites and recommend how development could be taken forward based on appropriately balanced spatial development, social, environmental and commercial considerations.

## **Consolidation within Civic 1**

The majority of Council office facilities will be consolidated within the Civic 1 building by 31 March 2014.

The Teachers Centre and Central Depot remain largely unaffected by the above initiative, although the Teachers Centre has recently provided the base for a new pupil referral unit which was previously located at 80/82 Gayton Road.

The possible introduction of Mobile and Flexible working technology supported by a cultural change programme could potentially create additional capacity to facilitate the co-location of partners within Civic 1.

It is intended to initiate a 'Green Travel Plan' review and the product of this review will be reported at the end of 2011.

Completion of the above initiatives could facilitate commencement of phased development on the Civic Centre site, when market conditions are appropriate.

## **Disposals Programme 2011/12**

Cabinet on 19 May 2011 approved Phase 1 of the current year's Property Disposals Programme. Work is ongoing to progress disposal of the relevant properties.

Phase 2 of the programme is being considered at Cabinet on 21 July.

The MTFs capital receipts target is £11.788M.

## **Financial Implications**

The Capital Programme MTFs, agreed at Council on 10 March 2011, has allocated resources for Civic Centre modernisation, Civic centre site development, Asset development, Land acquisition and Strategic sites – public space enhancements.

Capital expenditure is governed by Corporate Strategy Board and the Capita Forum. Governance rules require detailed business cases to be developed prior to the allocation of capital budget to project cost centre codes.

The Civic 1 Consolidation project will cost a maximum of £2.5m over three years. Revenue efficiency gains in the order of £460k pa will be realised from 2014/15.

The capital allocation for the development of the Civic Centre site and asset development will fund the preparation of the necessary commercial master plan which will ultimately drive the commercial value of the Council's strategic land holdings within Central Harrow. The master plan will be subject to approval at Cabinet.

## Performance Issues

The development of the Four Strategic Sites will in the long term contribute to the delivery of new homes, new jobs and new social infrastructure within the Central Harrow Intensification Area:-

Which performance indicators will be impacted by Development Plan Documents	What is the current performance of those indicators?			Potential impact
	Target 09/10	Actual 09/10	Target 10/11	
NI154 Net additional homes provided	400	460	400	The Site Allocations DPD and the AAP will identify and designate sufficient sites for new housing to meet Harrow's strategic housing requirement
NI155 Number of affordable homes delivered (gross)	165	143	165	The Development Management Policies and the AAP will seek to secure the maximum affordable housing provision from individual sites of 10 and above units.
NI159 Supply of ready to develop housing sites	100%	100%	100%	The Site Allocations DPD and the AAP will identify and designate sufficient sites for new housing to meet Harrow's strategic housing requirement
NI171 VAT Registration rate	No specific data set	88.4%	No specific data set	All three DPDs seek to retain and support existing and new businesses either through allocating or safeguarding sites or buildings for employment use.

NI186 Per capita reduction in CO2 emissions in the LA area	7.5%	4%	7.5%	The AAP and Site Allocations DPDs will ensure new housing is located in areas of high public accessibility and through requirements in the Development Management Policies for higher sustainable building design standards.
NI188 Adapting to climate change	Level 1	No data	Level 1	The Development Management Policies and the AAP seek to address the impacts of climate change through requirements for sustainable building design, while the Site Allocations DPD ensures sensitive development is not located in areas subject to flood risk.

## Environmental Impact

The satellite buildings around Civic 1 are particularly wasteful in terms of energy use with poorly insulated buildings and ageing inefficient heating, lighting and control systems. The programme will lead to the demolition of the most inefficient buildings and an upgrade to the insulation, heating and lighting in Civic One, greatly reducing our “Carbon Emissions” and helping with our target to reduce emissions overall by 4% a year. An environmental programme will be undertaken, in tandem with the consolidation project, in order to improve the energy efficiency of Civic 1, the cost of which will be met from the LDA supported Re Fit Programme.

Development of the Byron Leisure Park site will enable the commissioning of a new leisure centre. Although much has been done to improve the energy efficiency of the existing facility in previous years, the effectiveness of these improvements is constrained by the now out dated design and construction of the building.

New development will ensure the most efficient use of resources and minimise ‘Carbon Emissions’.

## Risk Management Implications

Risk analysis for all projects will be developed as initiatives are taken forward.

## Corporate Priorities

The development of the Civic centre site will contribute to the Corporate Priorities:-

- **Keeping neighbourhoods clean, green and safe:** by promoting a better quality built environment and public spaces, and considering options for enhancing green infrastructure and access to open spaces.
- **United and involved communities - a Council that listens and leads:** Engagement with the community as part of the Area Action Plan will seek to respond to the community's concerns about the state of Harrow town centre and seeks to ensure that the development and growth within the Intensification Area reflects the priorities and preferences of residents.
- **Supporting our Town centre, and local shopping centres and businesses:** The development of the Four Strategic Sites will provide a positive opportunity for the development and growth of Central Harrow.

## Section 3 - Statutory Officer Clearance

		on behalf of the
Name: Kanta Hirani	√	Chief Financial Officer
Date: 7 July 2011		
		on behalf of the
Name: Jessica Farmer	√	Monitoring Officer
Date: 7 July 2011		

## Section 4 - Contact Details and Background Papers

**Contact:** Andrew Trehern, Corporate Director Place Shaping  
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