

REPORT FOR: CABINET

Date of Meeting: 8 March 2012

Subject: Wood Farm, Wood Lane, Stanmore.
Pear Wood Cottages & Ten Acre Field

Key Decision: Yes

Responsible Officer: Andrew Trehern, Corporate Director Place Shaping

Portfolio Holder: Councillor Thaya Idaikkadar, Portfolio Holder for Property and Major Contracts

Exempt: No

Decision subject to Call-in: No - The decision is urgent on the basis that it is essential - from the MTFS perspective - that the capital receipt is realised in 2011/12.

Enclosures: Appendix 1: Cabinet Report October 2008
Appendix 2: Site Plan

Section 1 – Summary and Recommendations

This report sets out amendments to the resolutions authorised by Cabinet in October 2008, in respect of Wood Farm, by additionally proposing the disposal of the former Pear Wood Cottages and the grant of a lease of the adjacent field known as Ten Acre Field.

Recommendations:

Cabinet is requested to authorise that, in addition to the freehold disposal of the development site at Wood Farm, previously authorised by Cabinet, the Corporate Director – Place Shaping, in consultation with the Portfolio Holder, Property and Major Contracts:-

- (i) Consider and determine any objection to the disposals, arising from the Statutory Open Space Advertising; and
- (ii) Subject to (i) above, dispose of the Council's freehold interest in Pear Wood Cottages; and
- (iii) Subject to (i) above, enter into a 35 year fixed term lease of Ten Acre Field,

In each case for the best consideration reasonably obtainable.

Reason: (For recommendation)

In order that the Council can secure public access to a significant area of Green Belt land to be incorporated into an enlarged Stanmore Country Park and receive a substantial capital receipt budgeted within the Medium Term Finance Strategy (MTFS) for 2011-2012.

Section 2 – Report

Introductory paragraph

1. This report is supplemental to the Cabinet Report and Cabinet resolutions of 23 October 2008 (Appendix 1), which set out the reasons for the proposal to accept a surrender of the two Wood Farm agricultural leases and simultaneously to dispose of approximately 3.5 acres of freehold land forming part of the farm, for an enabling residential development. This will facilitate the transfer back to the Council of the vast majority of the farm land for an enlarged Stanmore Country Park and also generate a substantial capital receipt for the Council included within the MTFS for receipt in 2011/12.
2. Since 2008, planning permission for the residential development has been obtained, which includes S106 obligations upon the developer to carry out at their cost substantial landscaping works to the area to be incorporated into the Country Park.

Current situation

3. All negotiations regarding this proposal have taken place with the owners of the agricultural tenant company, Stanmore Dairies Ltd. However, in July 2011, Stanmore Dairies was sold to a third party.
4. The new owners of Stanmore Dairies have approached the Council with similar proposals for the surrender of their two agricultural tenancies and the freehold purchase of the residential development site. However, they additionally require the purchase of the Council's freehold interest in Pear Wood Cottages and to be granted a 35 year fixed term lease of Ten Acre Field, both at a price which fairly reflects market value.
5. Stanmore Dairies holds secure agricultural tenancies of Wood Farm and the Council has limited prospects of getting vacant possession in the future, without the agreement of the owners of Stanmore Dairies Ltd.

As a result, the only way to achieve the proposals for the enlarged Country Park in the foreseeable future is through negotiation to surrender the leases with the new owner of Stanmore Dairies. This has resulted in the proposed terms, the key points of which are summarised below:-

- The new owners of Stanmore Dairies purchase the freehold of the development site shown hatched blue on the attached plan in Appendix 2 for best consideration, and at the same time surrender Stanmore Dairies' existing agricultural tenancies to the Council.
- Simultaneously, and conditionally upon completion of the sale of the development site, the parties are to enter into a contract for the sale of the freehold of the land edged red and coloured blue in Appendix 2, the former Pear Wood Cottages, comprising approximately 0.75 of an acre plus an agreed access route to Wood Lane approximately 60 meters to the north, for best consideration. Completion will be subject to the granting of ministerial consent to the sale under the Green Belt (London and Home Counties) Act 1938.
- Contemporaneously upon completion of the sale of the development site, the grant by the Council of a lease for a fixed term of 35 years at an annual market rental of the field adjacent to Pear Wood Cottages, shown on the attached plan in Appendix 2 edged and hatched orange and known as Ten Acre Field. The lease will be subject to the following absolute restrictions on use:
 - The production of crops
 - Grassland
 - Trees and Shrubs
 - Grazing of horses

There will be an absolute restriction against the erection of any permanent or temporary buildings or structures on Ten Acre Field

without the landlord's prior consent which may be unreasonably withheld.

- Prior to any cultivation or grazing of Ten Acre Field the Tenant will be required to commission a comprehensive biodiversity survey of the field and shall provide a copy of those survey results and any necessary Management Plan to the Council.
- The Canons Ward Councillors were informed by email on 15 February 2012, of the proposal to dispose of Pear Wood Cottages and to lease Ten Acre Field. On 21 February the Canons Ward Councillors were further informed that the disposal decision was to be presented at Cabinet on 8 March for determination. Both communications advised the Ward Councillors further information could be obtained from the Senior Professional Corporate Estate, if this was required.
- Statutory Open Space Advertisements, in respect of both the proposed freehold sale of Pear Wood Cottages and the lease of 10 Acre Field, were published in the Harrow Observer on Thursdays 9 and 16 February 2012. The notices stated that any objections or representations in respect of the proposals are to be made in writing to the Director of Legal & Governance Services by no later than 9 March 2012.

Options Considered

6. **OPTION 1 - Do Nothing** – The Council could decide not to proceed with the disposal of Pear Wood Cottages and Ten Acre Field. This would mean that the disposal of the development site previously agreed by Cabinet would almost certainly not be completed in 2011/12 and would create a materially significant revenue budget pressure in 2012/13.

It is likely that the original proposal would still proceed at some point in the future as the new owners will want to realise the commercial benefit of the originally proposed enabling development. However, in this case the Council will require the terms of the transaction to be renegotiated to its further benefit.

Additionally the Council could also decide not to proceed with the proposal previously agreed at Cabinet in October 2008. Wood Farm would continue to be leased under the current Agricultural Tenancies to which there would be no Public access and with little future prospect of getting vacant possession of the farm land.

By not proceeding with the sale the Council would lose the opportunity for a significant increase in Green Belt land accessible to the Public at large, through the extension of the Country Park and creation of a wildlife reserve.

The Council would lose a materially significant capital receipt budgeted for in the MTFS.

7. **OPTION 2 - Proceed with the disposal in the terms outlined in paragraph 5 and below.**

(i) Dispose of the Council's freehold interest in Pear Wood Cottages and

(ii) Enter into a 35 year fixed term lease of Ten Acre Field.

In each case for the best consideration reasonably obtainable.

The Disposal of Pear Wood Cottages and the proposed lease of Ten Acre Field, both of which form part of the existing agricultural tenancies, are recommended, to facilitate delivery of the approved Wood Farm project, and critically to facilitate realisation of the capital receipt planned for 2011/12.

The disposal of Pear Wood Cottages would have been recommended by Officers as part of the 2012/13 disposals programme.

The leasing of Ten Acre Field will avoid maintenance cost which would have transferred to the Council on surrender of the agricultural tenancies.

The action proposed by this report is the only commercial lever the Council can apply to facilitate completion of the Wood Farm disposal in 2011/12.

The new owners of Stanmore Dairy have been informed in absolutely clear terms, that if completion of the Wood Farm development site sale is not concluded by close of business on 26 March 2012, the sale to them of Pear Wood Cottages and the leasing of Ten Acre Field as 'Special Purchaser' expires and will not be reinstated under any circumstances.

If the Council proceeds with the disposal it will enable an enlargement of Stanmore Country Park with significant landscaping improvements and creation of a wildlife refuge, Pear Wood, at no cost to the Council. The public will be able to gain access to a substantially increased area of Green Belt land within the London Borough of Harrow, which was formerly subject to Agricultural Tenancies with no Public rights of access. Additionally a disposal will result in a substantial capital receipt to the Council.

Members of Cabinet are asked to note that the proposal relating to Pear Wood Cottages and Ten Acre Field will lead to a reduced area for the wildlife nature reserve, as originally envisaged in the October 2008 Cabinet Report.

The proposal has the advantage of not incurring additional costs to the Council for the maintenance of Ten Acre Field and security for Pear Wood Cottages upon the original proposed surrenders.

Recommendations

That the Council proceeds with Option 2, thereby facilitating delivery of the capital receipt 2011/12. This will also enable extension of an area of Green Belt as Country Park, thereby providing Public access to an outstanding recreational area, and creating a protected nature reserve at no additional cost to the Council.

The majority of the area of the development site, to be sold for the 'enabling development', is already built on and / or covered in concrete yards.

Financial Implications

By proceeding with this disposal the Council will receive a substantial capital receipt which has been budgeted for in the MTFS. It will also secure the enlarging of Stanmore Country Park with no requirement for the Council to contribute to the costs of improvements / enlargement.

The council would receive a rent for Ten Acre Field, substantially in excess of that currently received for the entire Agricultural Holdings.

Legal Comments

8. The Council has the power to sell the properties under S123 of the Local Government Act 1972 provided it secures the best consideration reasonably obtainable. Completion of the freehold sale of Pear Wood Cottages will be subject to ministerial consent being obtained under the Green Belt (London and Home Counties) Act 1938. Public notices in respect of the 1938 Act and in respect of the open space provisions of S123 of the 1972 Act have been published in a local paper.

Performance Issues

9. There is no direct impact on any key performance indicators.
10. The disposal of this property forms part of the Council's Disposal Programme that is targeted with generating £7.75m capital during 2011/12. The disposal of the development site forms part of this programme and contributes to the target. The disposal of Pear Wood Cottages is in addition to the 2011/12 approved disposals plan. Option 1 does not maximise the potential for capital generation.

11. The recommended option will enable Stanmore Country Park to be enlarged and for an extended area of Green Belt to be accessible to the Public.

Environmental Impact

12. The recommended option will enlarge and significantly improve the ground conditions of Stanmore Country Park.

Risk Management Implications

13. If this proposal does not go ahead the Council is at serious risk of not meeting its capital receipt target 2011/12.
14. Additionally the Council could lose the opportunity of getting back the majority of Wood Farm thereby providing increased access to the existing Country Park.

Equalities implications

15. The proposals are consistent with Corporate Estate's existing Disposal of Property Policy and Officers do not consider that the disposals will have an adverse impact on any of the protected equality groups. The Stanmore Country Park is available to all within the Borough and its enlargement will benefit all residents and improve access. The Section 106 obligations linked to the planning permission for the proposed enabling development will ensure that the land to be incorporated into the Stanmore Country Park will undergo appropriate improvements to provide for disabled visitors.

Corporate Priorities

16. The disposal of this land and the extension of the Stanmore Country Park contributes to keeping the Borough's green spaces available to the public in accordance with the corporate priority *to keep neighbourhoods clean, green and safe*. It also supports the financial strategies that the Council has in place which are aimed at contributing to the Council's other Corporate Priorities.

Section 3 - Statutory Officer Clearance

Name Jennifer Hydari



on behalf of the
Chief Financial Officer

Date: 22 February 2012

Name: Matthew Adams



on behalf of the
Monitoring Officer

Date: 27 February 2012

Section 4 – Performance Officer Clearance

Name: David Harrington



on behalf of the
Divisional Director
Partnership,
Development and
Performance

Date: 20 February 2012

Section 5 – Environmental Impact Officer Clearance

Name: John Edwards



Divisional Director
(Environmental
Services)

Date: 21 February 2012

Section 6 - Contact Details and Background Papers

Contact: Philip Loveland-Cooper – Head of Corporate Estate. Ext: 2877

Background Papers: Cabinet Report Wood Farm, Wood Lane, Stanmore – 23 October 2008

**Call-In Waived by the
Chairman of Overview
and Scrutiny
Committee**

YES

[Call-in does not apply]