



**Haringey** Council

Agenda item: **[No.]**

**Cabinet**

**On 21 July 2009**

Report Title. **Welbourne Community Centre**

Report of **Director of Corporate Resources**

Signed :

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Wards(s) affected: **Tottenham Hale**

Report for: **Non Key**

**1. Purpose of the report**

- 1.1 To seek approval from Members to defer the implementation of a previous Cabinet decision (17 June 2008 (CAB23)) to release the site for disposal.

**2. Introduction by Cabinet Member**

- 2.1 I concur with the recommendations.

**3. State link(s) with Council Plan Priorities and actions and /or other Strategies:**

- 3.1 Through its Asset Management Plan (AMP) 2009-11 (approved 21 April 2009) the Council is implementing key programmes to improve the condition, suitability, utilisation, efficiency and management of the various operational and non operational property portfolios. This includes pursuing opportunities to stimulate regeneration through the use of the Council's property assets.

3.2 Welbourne Community Centre occupies a strategic site that forms part of the Tottenham Hale Masterplan Supplementary Planning Document (Transforming Tottenham Hale). The draft Greater Ashley Road Masterplan builds on the vision set out in the Tottenham Hale Masterplan SPD. The development of the site provides an opportunity to contribute to a cohesive approach to the Masterplan.

#### **4. Recommendations**

4.1 To defer implementation of the Cabinet decision of 17 June 2008 (CAB23) and instruct the Head of Corporate Property to monitor the property market with a view to reporting to Cabinet when there is an upward change in the residential property market that warrants implementation of the decision, taking into account regeneration issues.

#### **5. Reason for recommendation(s)**

- 5.1 The Welbourne Community Centre (the site) is currently occupied by the Caribbean Senior Citizens Association (CSCA) on a tenancy at will. The building is in poor condition, under-utilised and offers a medium to long term redevelopment opportunity.
- 5.2 On 17<sup>th</sup> June 2008, the Cabinet resolved to approve the marketing and disposal of the site and to engage the CSCA and other stakeholders on the proposal. The site has not been put on the market due to outstanding issues with the existing incumbent tenants.
- 5.3 In view of the factors above, the down turn in the residential property market and an emerging regeneration strategy for the Greater Ashley Road area, the recommendation seeks Member approval to defer action on the previous decision until market conditions are more favourable and any impact of the Greater Ashley Road masterplan has been considered.

#### **6. Other options considered**

- 6.1 The Cabinet decision of June 2008 agreed to sell the site on the open market, with the benefit of a marketing brief, for best consideration reasonably obtained. In making this decision the Cabinet rejected the option of selling the site to the CSCA or an RSL by private treaty.
- 6.2 No other options are currently being considered. Options may be considered in further detail as part of the periodic review to update the Cabinet on the state of the market.

## **7. Summary**

### **Introduction**

7.1 The site is currently occupied by the CSCA on a tenancy at will. A review of the community buildings portfolio concluded that the property suffers from a number of building defects and is reaching the end of its useful life. Furthermore, it is an under utilised asset and therefore represents a development opportunity.

7.2 Amongst other things the report to Cabinet on 17 June 2008 (CAB23) agreed the following:

- i. To release the site for disposal, subject to the satisfactory replacement of the community facility.
- ii. Market the site for best consideration and select a preferred developer partner.
- iii. Engage the CSCA in the development proposal.
- iv. Engage other stakeholders in assessing currently unmet need/demand for community facilities

7.3 The site has not been put on the market due to outstanding issues with the incumbent tenants relating to tenure and vacant possession, the subsequent downturn in the residential property market and more recently the emerging regeneration masterplan for the Greater Ashley Road area.

7.4 The economy of the United Kingdom is officially in recession, with a resultant downturn in the residential property market. It is therefore important to decide whether the site should be marketed and sold in a falling market in order to deliver more short term regeneration, housing and a reduced capital receipt or whether Haringey should consider a long term strategic approach by deferring the decision of the June 2008 Cabinet decision to dispose of the site

### **Regeneration**

7.5 It will be noted that one of the key objectives of the proposed redevelopment of the Welbourne site is to deliver social, economic and environmental regeneration by providing new homes, improved and additional community facilities, physical improvements to the area and a capital receipt for investment in other capital projects. Whilst the site was already considered appropriate to provide viable opportunities for regeneration, there is now a further emerging opportunity in the area that needs to be considered in taking forward the redevelopment of the Welbourne site.

7.6 The Council is in the process of working up the Draft Greater Ashley Road Masterplan, with funding from the London Development Agency. Tottenham Hale is one of the strategic growth site areas in the east of the Borough. The Tottenham Hale

Masterplan Supplementary Planning Document (Transforming Tottenham Hale) was adopted by the Council in 2006 and sets out the development framework for the regeneration of the area. The draft Greater Ashley Road Masterplan builds on the vision set out in the Tottenham Hale Masterplan SPD.

7.7 The Masterplan seeks to maximise the potential for securing regeneration benefits in the Greater Ashley Road area, including by 2016 creating 350 new jobs, providing 1600 new homes, completing the gyratory and station interchange, providing new or enhanced community facilities, providing new and enhanced 'Green Blue' links particularly to the Lee Valley Park. A comprehensive development approach and investment strategy will be shaped by the Masterplan in accordance with the vision and objectives set out in the SPD.

7.8 The Welbourne Centre is currently not included within the Masterplan; however, Officers are currently considering whether the site should be included. The Masterplan also identifies the provision for a 1,900sq.m community facility and as part of the Masterplan the Council should consider whether the existing Welbourne community centre should be integrated into this new facility. A key objective of the Masterplan is to return the gyratory to two-way working. Transport for London (TfL) has recently confirmed that they have funding for this project to proceed and initial design work indicates that they may require a strip of land from the Welbourne Centre site. The disposal of this site should consider safeguarding the land that TfL may require.

## **Conclusion**

7.9 Member approval is sought to defer the implementation of the Cabinet decision and instruct the Head of Corporate Property to monitor the property market on a periodic basis with a view to reporting to Cabinet when there is an upward change in the property market, that warrants implementation of the disposal, taking into account economic regeneration issues. As part of this option the Council will need to resolve the Tenancy at Will (TAW) with the CSCA).

7.10 The advantages of this option are;

- i. The deferred disposal of land would mean the Council avoids selling land in a low market and may reap the opportunity of selling in a rising or at least a more stable market, resulting in a higher capital receipt, which delivers the best result for the capital programme.
- ii. Deferment will result in potentially greater market interest from private developers in a more active housing market, which in turn will help deliver a mixed tenure, sustainable development.
- iii. There is less of risk of abortive costs as confidence returns to the market
- iv. There will be more time to fully consider the implications of the Greater Ashley Road Masterplan, in particularly the proposed community facility and the proposed gyratory scheme. In July 2009, Haringey Cabinet will consider a report for the next stage in the master planning for Tottenham Hale, – including the Greater Ashley Road Area and the proposed changes to the Gyratory from one way to two way working.
- v. Exempt information

7.11 The disadvantages of deferring the decision are delays to the regeneration benefits and the capital receipts, however, it is considered that the advantages far outweigh the disadvantages.

## **8 .0 Chief Financial Officer Comments**

9.1 The Council's Capital Programme depends on a number of strategic sites delivering substantial capital receipts over the next few years, one of which is this property. Given the current market conditions and the other issues raised in this report I support the recommendation that the site is not put into the market at this time so as to give the Council the best opportunity to achieve best value on this disposal sometime in the near future.

## **10 Head of Legal Services Comments**

10.1 The Head of Legal Services has been consulted in the preparation of this report, and makes the following comments.

10.2 The Head of Legal Services advises that key to the viability of the recommendation set out at paragraph 4 of the report, is the need to resolve the status under which the CSCA is currently occupying the premises.

10.3 As the report states, the Council has obtained a written opinion from Queen's Counsel. That opinion confirmed the legal advice given in the report to Cabinet on 17<sup>th</sup> June 2008, namely that the CSCA do occupy the premises under the terms of a tenancy at will. (The remainder of the paragraph is exempt).

10.4 (Exempt)

10.5 (Exempt)

## **11 Equalities & Community Cohesion Comments**

11.1 Services provided at the Welbourne Community Centre are aimed at some of the more disadvantaged community groups including the elderly from ethnic minority groups.

11.2 The report addresses property based regenerative developments aimed at delivering community facilities, dwellings, including social housing and physical improvements to the area which will provide enhanced amenities for residents and therefore contribute to community cohesion and well being.

## **12 Service Financial Comments**

12.1 Whenever the development takes place there will be a loss of revenue income for the service (£16,000 per annum) as a result of obtaining vacant possession of the

Centre. This may be partly or fully replaced dependant on whether the CSCA is relocated to an alternative Council building.

### **13 Use of appendices /Tables and photographs**

Appendix A (exempt) see 14.2 below.

### **14 Local Government (Access to Information) Act 1985**

14.1 Report to Cabinet of 17 June 2008. (Exempt Item)

14.2 This report contains exempt and non-exempt information. Exempt information is contained within Appendix A and **is not for publication**. The exempt information is under the following category (Identified in amended schedule 12A of the Local Government Act 1972)

S.(3) Information relating to financial or business affairs of any particular person including the authority holding the information.