



Agenda item

Cabinet

On 21st July 2009

Report Title: Disposal of Land at Saltram Close N15

Report authorised by: **Julie Parker – Director Corporate Resources**

Signed:

Date:

Contact Officer: Michael G. Porter
Position: Valuer
Telephone: 020 8489 2192
E-mail: Michael.porter@haringey.gov.uk

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

Report for: **Key Decision**

1. Purpose of the report

To seek approval for the disposal of the Council's freehold interest in Saltram Close Playground site ("the site") shown edged red on the attached plan on the open market having secured the planning status of the site.

2. Introduction by Cabinet Member

2.1. The development of Saltram Close playground site will see the creation of much needed new housing, which will also improve the appearance of the local environment.

2.2. The capital receipt from the disposal which will be ring fenced will enable the Council to carry out some of the necessary regeneration works at Saltram Close Housing Estate including the re-provision of a secure under 5's playground as designed in consultation with local residents.

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

- 3.1. The disposal of the site forms part of the Council's planned programme of disposals which will help to underpin the Council's social, economic and environmental regeneration objectives including the delivery of new housing units.

4. Recommendations

- 4.1. Consider the options outlined within the report, and in view of the current property market, agree that the Council's regeneration and financial objectives are now pursued by securing appropriate planning status for the site through a planning permission. (Option 4)
- 4.2. Authorise the disposal of the site on the open market for the best consideration reasonably obtainable once the planning status has been secured through either a Development Brief endorsed by the Planning Committee or by securing planning permission.
- 4.3. The net capital receipts after deduction of all costs associated with securing the planning permission to be ring fenced and reinvested in the regeneration of Saltram Close Estate in line with the Executive (Cabinet) decision of 23 January 2007.

5. Reason for recommendations

- 5.1. The site forms part of the Saltram Close Housing Estate and is underused and not suitable for young children to play in without supervision. Given this, the Site was identified for redevelopment as part of the Regeneration of Saltram Close Estate with the capital receipts generated from the sale ring fenced to fund estate regeneration works. The proposed works include the provision of a new protected and secure playground for under 5's elsewhere on the estate.

6. Other options considered (see section 8 below for further details)

- 6.1. Refurbish and retain the site as a playground.
- 6.2. Defer disposal and development of the site.
- 6.3. Market the site subject to the purchaser obtaining planning permission.
- 6.4. Pursue a comprehensive development of the site and the adjoining site in line with planning consent HGY/2005/1257 by compulsorily purchasing the adjoining third party land.

7. Background

- 7.1. Planning permission was granted to Servite Houses for a composite estate improvement scheme of Saltram Close Estate and adjoining third party land on 20 September 2005 (HGY/2005/1257). The proposal included the redevelopment of the site and re-provision of a new protected playground for under fives elsewhere on the estate.
- 7.2. However following protracted negotiations Riveroak Associates (owners of privately owned land included in the composite estate improvement scheme) withdrew from negotiations with Servite Houses resulting in the inability to implement the planning permission.
- 7.3. The Executive (now Cabinet) on 23 January 2007 approved the ring fencing of the capital receipts from the sale of the site for reinvestment in Saltram Close Housing Estate as part of the capital programme for 2007/08 to 2010/11.
- 7.4. The Acting Director of Finance (now Chief Finance Officer) approved the disposal of the site to Servite Houses, a registered social landlord on 11 September 2007.
- 7.5. Terms were agreed with Servite Houses in September 2007 for the acquisition of the Site for a residential development totalling 15 units comprising:
 - i. 6 x four bedroom houses with private gardens.
 - ii. 5 x three bedroom flats and
 - iii. 4 x 1 bed (2 person) flats.
- 7.6. However, this scheme was refused planning permission and despite protracted negotiations, Servite Houses were unable to proceed with the acquisition and subsequent development of the Site after an adverse assessment by the Housing Corporation (now Homes and Communities Agency) resulting in their investment partner status being withdrawn.
- 7.7. (Exempt Information)

8. Options for the Council

Option 1 – Refurbishment and retention of existing playground.

The current site is not fit for purpose, as it is unsuitable for use by younger children, unless supervised. It is not overlooked by any of the houses and tends to be used by older children. The response from resident during the consultation process was that they would like to see this facility relocated to a more secure location elsewhere on the estate and be able to cater for the under 5's.

Option 2 – Defer disposal and development of the site

This option would further delay the regeneration of the area and will forfeit any receipt

in the near future resulting in further delays to the long overdue regeneration works at Saltram Close Housing Estate, which has already been delayed since consultations took place with residents.

Option 3 - Market playground site subject to purchaser obtaining planning

A new development partner/developer can be secured through a competitive process. This can include going to other Registered Social Landlords and/or advertising on the open market. However, the risks associated with the uncertainty of the development potential i.e. lack of planning status for the site will remain.

Longstop dates can be put in place to ensure milestones, such as the timing for the submission of planning application, are adhered to. But should the development partner/developer pull out it would be back to square one with no certainty on the development potential of the site being ascertained and having to start all over again.

In view of the current market with developers not willing to take on high-risk ventures especially in low value areas, such as where this site is located, this option is not recommended.

Option 4 - Secure planning status for the site prior to marketing

In the current market, this option will provide greater control and certainty over the development of the site eliminating risks and uncertainty associated with the development potential of the site.

Certainty of the development potential from securing planning status will reduce any perceived risks by developers, expedite disposal once advertised and optimise the capital receipts. Any potential increase in value arising from the detailed planning permission can be captured in an overage agreement.

Option 5 - Pursue a comprehensive development of the Site and the adjoining third party owned land in line with planning consent HGY/2005/1257 by compulsorily purchasing the adjoining land.

This option would ensure a comprehensive development of the site and the adjoining privately owned land. However, Compulsory Purchase Order (CPO) is a course of last resort and requires a compelling case to be made in the public interest justifying its use.

This option is not recommended as the development of the site can proceed in isolation from the adjoining land.

9. Conclusion and recommendation

9.1. The site in its present use is an underused resource.

9.2. Certainty of the development potential with the benefit of planning permission

will reduce any perceived risks by developers, expedite disposal once advertised and optimise the capital receipts.

- 9.3. The capital receipts generated will enable the Council to carry out some of the necessary and long overdue regeneration works required at Saltram Close Housing Estate, as the net capital receipts after deduction of all costs associated with securing the planning permission will be ring fenced to fund the estate regeneration works.
- 9.4. The estate regeneration works will see the re-provision of a secure and overlooked under 5's playground, elsewhere on the Saltram Close Housing Estate as designed in consultation with residents.
- 9.5. The redevelopment of the site will see the creation of new housing (private & affordable) enabling the Council to achieve its goal in line with governments targets to meet housing needs whilst improving the local environment, regularising the overall site, and allowing for an aesthetically pleasing scheme to be developed.
- 9.6. The scheme for the regeneration of the site, which was developed following consultation in the form of workshops and meetings with local residents and community groups would enhance and make a better environment for the residents.
- 9.7. It is recommended that option 4 is progressed with Corporate Property Services in consultation with the Head of Housing Strategy Development & Partnerships preparing and submitting a planning application for planning permission prior to marketing the site. This will give developers some certainty and reduce risk, which will save time and optimise the capital receipts.

10. Chief Finance Officer Comments

- 10.1. The Chief Finance Officer supports the proposed recommendation (Option 4). It is unlikely that capital investment will be found to refurbish the existing playground (Option 1) and further delaying the disposal (Option 2) will further delay the regeneration with no certainty that a higher offer receipt can or will be generated. The benefit of Option 4 over Option 3 has been clearly spelt out in section 8 budget essentially will reduce the risk to any potential developer and expedite the disposal and redevelopment.
- 10.2. It should be noted that the original estimated capital receipt was earmarked to fund improvement, remodelling and estate regeneration works. However, the improvement works are now being carried out by Homes for Haringey under the decent homes programme. The remodelling works will no longer be carried out. The reduced capital receipt will fund the estate regeneration works only, namely re-provision of a playground and landscaping. Residents have been consulted on the reduced scheme since 2006/7 and any further delay could impact on residents' perception of the Council as well as leaving the existing playground in an unsafe condition.

- 10.3 This scheme is currently in the agreed capital programme. Should Members support the recommendation, the capital programme may need to be amended to reflect any variation to this agreed figure and clearly officers would need to ensure that the agreed schedule of works did not exceed the eventual net receipt.

11. Head of Legal Services Comments

- 11.1. The site forms part of the Saltram Close Housing Estate and is held for housing purposes. Land held for housing purposes cannot be disposed of unless the consent of the Secretary of State is first obtained. The Secretary of State has issued a number of general consents. Once the terms of the disposal are known then legal advice should be sought on whether or not specific consent will be required.
- 11.2. Option 4 is being recommended as the best option for disposal of the Site. It is envisaged that the Council first obtain planning permission so that the Site can be disposed of with the benefit of that planning permission. The Site is already the subject of a planning permission (HGY/2005/1257) obtained on 20/09/05 and which has not been implemented. If that planning permission is still in place by the time the new planning permission is granted, it is likely that the planning authority will require via a section 106 Agreement that the permission HGY/2005/1257 not be implemented.
- 11.3. A disposal under Option 4 may not guarantee the development envisaged if there are no provisions in the contract for sale as to obligations and time scales for the redevelopment. An outright disposal whether or not with the benefit of planning permission will not necessarily guarantee the buyer will develop the land. It may instead choose to land bank or speculate by onward disposal.
- 11.4. Option 5 refers to a possible compulsory acquisition of an adjoining site as part of a bigger scheme. The Council does have the power to compulsorily acquire land under the planning legislation. However in order for the Council to be able to exercise its power, it must be either seeking to either implement the existing planning permission (HGY/2005/1257) which already includes the adjoining land apply for a new planning permission which must include the adjoining land concern.
- 11.5 The adjoining landowner may choose to oppose the planning application and eventually challenge any compulsory purchase order in court. In order to go down the CPO route, unless there is a budget allocation, the Council must seek a CPO Indemnity Agreement from any potential developer in order to recover all costs incurred under the CPO.

12. Head of Housing Strategy Development & Partnerships Comments

- 12.1. The Strategic & Community Housing Service supports the disposal and redevelopment of the playground at Saltram Close, which, due to its location, is not suitable for use by unsupervised young children and is a potential focus for

anti social behaviour by older children from the surrounding area.

12.2. The previously agreed ring fencing of the capital receipt will benefit the Saltram Close estate in funding environmental improvements to the central green area and a new playground suitable for young children which has previously been widely consulted on with the estate residents.

12.3. The disposal with the benefit of Planning Permission for residential development will remove an element of risk and help to promote early site development in the current uncertain housing market, providing new affordable homes to meet local needs and contribute towards achieving the Council's housing supply targets.

13. Assistant Director for Planning, Regeneration & Economy's comments

13.1. Given the location of this open space/play area and the problems associated with the site, in principle, the redevelopment of the area of land for housing is acceptable. Future redevelopment of the site must make alternative provision for open space and/or play facilities to compensate for the loss of this facility.

13.2. There is an unimplemented planning permission for the development of this site with adjacent areas for residential purposes, so the principles of redevelopment of the wider area had already been established. The planning application in 2008 was refused permission because it failed to meet the wider objectives already set out in the 2005 planning permission for the site and raised issues of design, mass and density and failed to meet the amenity standards.

13.3. In view of the unimplemented planning permission in 2005 and the refused planning application in 2008, the most appropriate way forward would be the preparation of a Development Brief for endorsement by the Planning Committee. An outline application would not, in my view, be an appropriate way forward in this instance as the wider design, density, mass and provision of amenity space are the key issues of concern which cannot be addressed adequately without a detailed lay out and design of any proposed development.

14. Equalities & Community Cohesion Comments

14.1. Redevelopment of the site will create new housing units thus increasing the possibility of owner occupation to the wider community and contribute to the socio-economic and environmental improvements in this deprived area of the Borough.

14.2. The capital receipts from the disposal much of which will be ring fenced will enable the Council to carry out some of the necessary and long overdue regeneration works at Saltram Close housing estate.

15. Consultation

15.1. Ward Members have been advised of the proposal.

16. Service Financial Comments

- 16.1. The capital receipts from the disposal will be ring fenced for estate improvement works on Saltram Close housing estate.
- 16.2. Option 2 & 5 would result in no projected capital receipts in the short to medium term until the market shows some improvement.
- 16.3. Option 3 would see projected capital receipts in the medium term but the quantum and timing will be dependant upon the risk associated with developing the site and the condition of the property market.
- 16.4. Option 4 will see projected capital receipts in the short/medium term once the planning status has been resolved but the quantum and timing will be dependant upon the condition of the property market.

17. Use of appendices /Tables and photographs

- 17.1. Appendix 1 Exempt Information
- 17.2. Ordinance Survey Plan

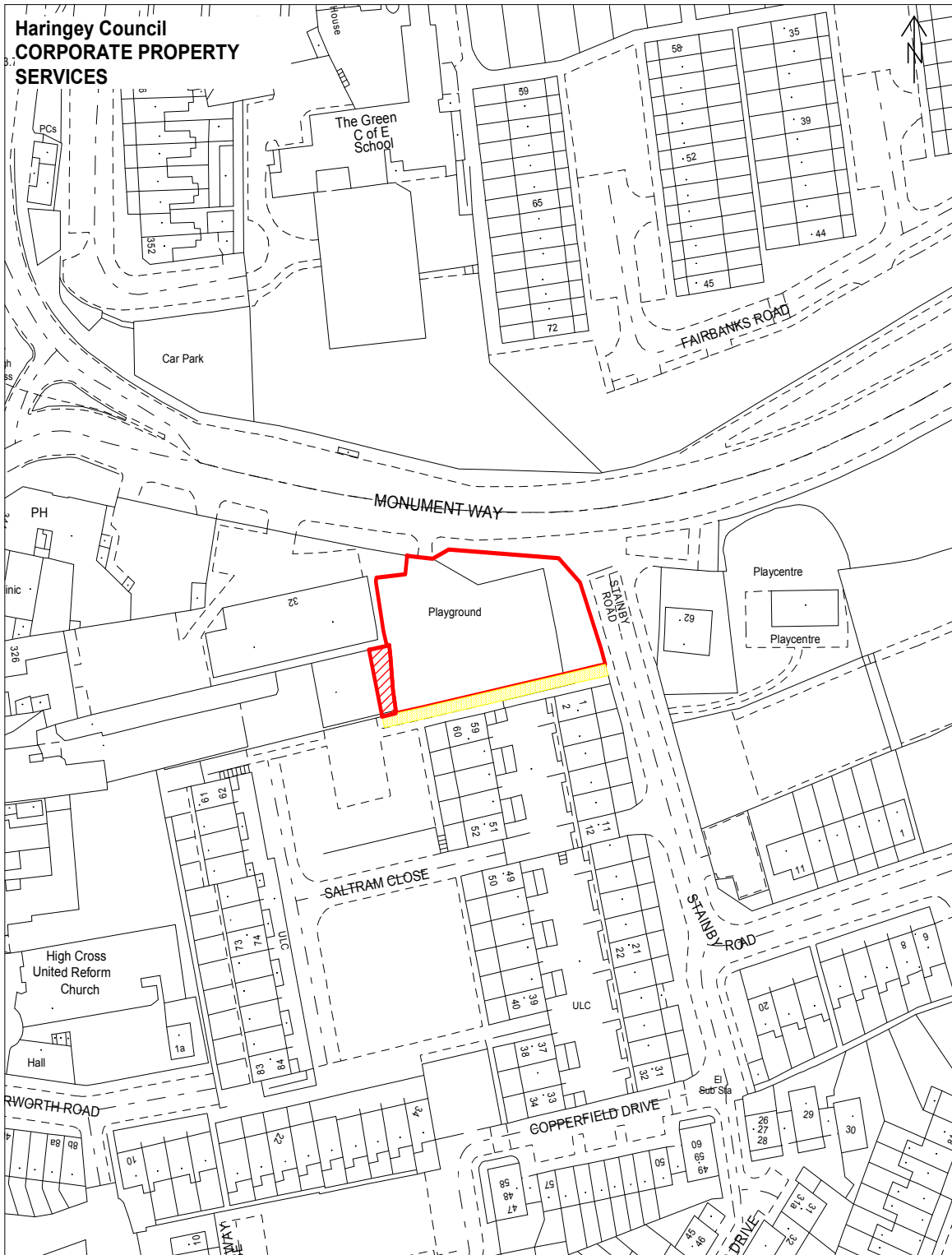
18. Local Government (Access to Information) Act 1985

Report of the Executive 23 January 2007
Minutes of the Executive 23 January 2007
Report of the Acting Director of Finance September 2007. (Exempt).

The following reports are publicly available.
Report to Planning Committee (HGY/2005/1257) 12 September 2005
Report to Planning Committee (HGY/2008/1106) 21 July 2008

- 18.1. This report contains exempt and non-exempt information. Exempt information is contained in Appendix 1 and is **not for publication**. The exempt information is under the following category (identified in the amended schedule 12A of the Local Government Act 1972)

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



Hatched red - Land to be retained by council
 Shaded Yellow - Ransom Strip

Playground
Saltram Close
Tottenham
London N17

Overlay : H&SS - Miscellaneous

Plan produced by Michelle Horne on 06/08/2007

This product includes mapping data licensed from Ordnance Survey with the permission of the Controller of Her Majesty's Stationery Office. © Crown Copyright 2007 LBH. All rights reserved.
 Licence number 100019199

Scale 1:1250

CPM No.

Drawing No. BVES A4 2326b