




<b>Report for:</b>	<b>Decision by the Leader – 25 September 2014</b>	<b>Item Number:</b>	
<b>Title:</b>	<b>Purchase of the Freehold of 5 River Park Road and 38-46 Station Road, N22</b>		
<b>Report Authorised by:</b>	<b>Lyn Garner – Director of Regeneration, Planning and Development</b> 		
<b>Lead Officer:</b>	<b>Jon McGrath, Assistant Director Property &amp; Capital Projects jon.mcgrath@haringey.gov.uk</b>		
<b>Ward(s) affected:</b>	<b>Woodside</b>	<b>Report for Key Decision: Key</b>	

**1. Describe the Issue Under Consideration**

- 1.1 The opportunity to purchase the freehold interest's of both 38–46 Station Road, N22 and Stuart House 5 River Park Road, N22 has arisen.
- 1.2 It is proposed that the Council acquires the freehold interests of both buildings from Candlestick Holdings Ltd in order to secure a significant interest in the buildings and sites along the north side of Station Rd to facilitate the future regeneration outcomes for the Wood Green Town Centre.

**2. Cabinet Member Introduction**

- 2.1 In acquiring both 38-46 Station Rd and 5 River Park Rd, the Council will be taking a significant step towards ultimately contributing to the wider regeneration plans for the area. These purchases will allow the Council to take a holistic view for the Wood Green campus and ensure regeneration is homogenous and truly reflects community needs.

**3. Recommendations**

The Leader of the Council is asked to:

- 3.1 Agree the purchase of the freehold interests of two properties known as 38-46 Station Rd, N22 (shown edged red and annotated “E”) and Stuart House 5 River Park Rd, N22 (shown edged red and annotated “F”) on the attached Ordnance Survey extract plan for the price set out in the Exempt part of this report and with the Director of Regeneration,



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Planning & Development given delegated authority to agree final terms of the acquisition.

- 3.3 Agree the addition of the capital cost of the purchase to the Council's capital programme to be funded from the Strategic Land Acquisition Fund.

### **4. Alternative options considered**

- 4.1 Officers appointed BNP Paribas to initially undertake both an options appraisal and a valuation along with advice on the redevelopment opportunities for the combined sites of 38-46 Station Rd, 5 River Park Rd and the Council's car park (shown edged red and annotated "G" on the attached Ordnance Survey extract plan) and to ultimately lead on negotiations on behalf of the Council. Their brief was extended to include assisting the Council with the acquisition of 48-62 Station Rd, N22 (when the long leasehold interest became available in 2013).

- 4.2 BNP Paribas produced an options appraisal that demonstrated significant marriage value generated by a scheme proposed by Barton Bridging Finance for the redevelopment of their buildings together with the Council's car-park. However, with the long leasehold interest of 48 – 62 Station Rd, N22 having subsequently been acquired by the Council (completing December 2013), BNP Paribas were of the opinion that there was now a greater business case and opportunity for the Council to acquire Barton Bridging Finance's assets and combine them with the car park site together with the additional Council interests along the north side of Station Rd, N22.

### **Business Case**

- 4.3 The Council is now vested with the unencumbered freehold interest of 48-62 Station Rd having acquired the long leasehold interest (approximately 118 years) in December 2013.
- 4.4 The acquisition of 38-46 Station Rd and 5 River Park Rd, combined with the Council owned car park site, will allow the Council to complete an almost contiguous unencumbered ownership of the buildings and sites along the north side of Station Rd, excluding Alexandra House (as shown on the attached Ordnance Survey extract) which will provide a key component to the wider Wood Green Town Centre regeneration.
- 4.5 This will give the Council substantial control and greater flexibility over redevelopment options for this part of Station Rd, ensuring that the Council is able to bring forward a development scheme in a comprehensive manor and avoiding piecemeal development, which is typically associated with development sites where ownership is fragmented.
- 4.6 Should the Council not wish to pursue the acquisition of both 38-46 Station Rd and 5 River Park Rd, there would still be an opportunity to take forward a development to incorporate both sites. However, there would be less control with a further party involved and a joint venture would most likely have to be agreed; failure to agree may result in the Council having to consider compulsory purchase powers.

### **5. Background Information**



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- 5.1 A recent property review has incorporated a reassessment of the Council's accommodation needs to reflect reductions in the establishment coupled with the acceleration of SMART Working to improve space utilisation. This will result in fewer buildings required for retention with scope to create further regeneration opportunities from buildings becoming surplus to requirements.
- 5.2 To facilitate maximising development options with un-fettered ownership, the Council should seek to acquire 38-46 Station Rd & 5 River Park Rd so as to assemble a contiguous land ownership along the northern side of Station Rd. Details of the buildings and sites along the north side of Station Road are shown on the attached Ordnance Survey extract plan.
- 5.3 This report should be considered in the context of the wider regeneration plans proposed for both the Wood Green Town Centre and Haringey Heartlands. This would include looking at the Council's assets in order to support regeneration in Wood Green.

### **38-46 Station Rd & 5 River Park Rd together with the Council owned car-park (shown as sites "E", "F" & "G" respectively on the attached plan)**

- 5.4 The Council car-park on Station Rd has long been identified as a potential development site. However, maximising development potential for the car park was critical on the inclusion of both 38-46 Station Rd (occupied by the Council on a short term lease which expired this year) and 5 River Park Rd (known as Stuart House and formerly occupied by Tulip Mental Health Group).
- 5.7 These low rise buildings adjacent to the car park (located between Alexandra House and 48-62 Station Rd) were acquired by Candlestick Holdings Ltd and through Barton Bridging Finance (Barton) consequently approached the Council to discuss the merits of a development of their buildings together with the Council's car park.
- 5.6 Following encouragement that the Council would engage with their proposals, Barton attended a pre-planning application meeting with the Council's Planning Service in May 2013 where a scheme was eventually revised that proposed a mixed use development comprising a 10 storey building with ground floor commercial units and 9 upper floors with 72 residential units.
- 5.7 However, following the successful acquisition of 48-62 Station Rd in December 2013, the Council now has the opportunity to complete ownership of the buildings and sites along the north side of Station Rd.

### **Heads of Terms**

- 5.8 It is recommended that the Council acquire the freehold interests of both 38-46 Station Rd and 5 River Park Rd in order to gain full control of the site in order to broaden development and regeneration options for both Station Rd and in turn the Wood Green Town Centre.



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5.9 BNP Paribas has indicated that the development value for the freehold interests of both properties is in the region of **EXEMPT – refer to Part B.**

5.10 Heads of terms have just been agreed which includes the following:-

- A purchase price for both properties of **EXEMPT - refer to Part B**
- The purchase is subject to both contract and Cabinet approval
- The Council to pay 10% of the purchase price on exchange of contracts (deductible from the purchase price on completion)
- Completion of the purchase to take place by no later than the 10<sup>th</sup> October 2014

5.11 It should be noted that whilst terms have been agreed with Candlestick Holdings Ltd for the acquisition of 38-46 Station Rd and 5 River Park Rd, there is a possibility that they could have a change of mind and not proceed with the disposal.

## **6 Comments of the Chief Finance Officer and Financial Implications**

6.1 As part of the 2014-15 budget process, Cabinet on 11 February 2014 agreed a revenue budget of £1.9m to pay the borrowing costs of a Strategic Land Acquisition Fund of up to £50m. This purchase complies with the aims of that funding to facilitate future Regeneration schemes and hence can be used to fund this acquisition. A development appraisal from BNP Paribas confirms the purchase amount is in line with the expected value of the site.

6.2 The Council has the option to rent out the properties in the short-term, which would reduce the net cost of the acquisition.

6.3 Regeneration plans for Wood Green have the potential to significantly contribute towards Economic Growth, and hence increase Council Tax and Business Rates income in future years. Ongoing changes in Local Government Funding mean that the Council is increasingly dependent on funding from these sources in coming years

## **7 Head of Legal Services and Legal Implications**

7.1 The Council has the power under section 120 of the Local Government Act 1972 to purchase the freehold interests for the purposes of any of its function or the benefit, improvement or development of its area even if that land is not immediately required for that purpose.

7.2 Members should note that the seller has not opted to waive the exemption on VAT so no VAT is payable on the price.

## **8 Equalities and Community Cohesion Comments**

8.1 Policy and Team have been consulted in the preparation of this report and have commented that the report carries no obvious implications for the Council's public sector equality duty.

## **9 Head of Procurement Comments**

9.1 N/a as no procurement process is expected or involved.



**10 Policy Implications**

10.1 The proposals are consistent with the Council’s Corporate Plan Priority 8 to deliver regeneration at priority locations across the Borough and which sets out the target to deliver a masterplan for Wood Green which will promote regeneration in the area.

**11 Reasons for Decision**

11.1 The options appraisal prepared by BNP Paribas confirms there is significant marriage value generated by the Council combining their car park with 38-46 Station Rd and 5 River Park Rd for the redevelopment together with the Council’s additional properties along Station Rd.

11.2 The acquisition of 38-46 Station Rd and 5 River Park Rd will enable the Council to complete a contiguous interest in the buildings and sites along the north side of Station Rd which will provide a key component for the wider Wood Green Town Centre regeneration. This acquisition therefore secures and optimises the opportunities for the Council to undertake regeneration of the Wood Green Town Centre area.

**12 Use of Appendices**

**Appendix A: Site Plan**

**13. Local Government (Access to Information) Act 1985**

The report contains exempt information and which is contained in the Exempt part 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 the financial or business affairs of any particular person including the authority holding the information.

**COUNCILLOR CLAIRE KOBER**

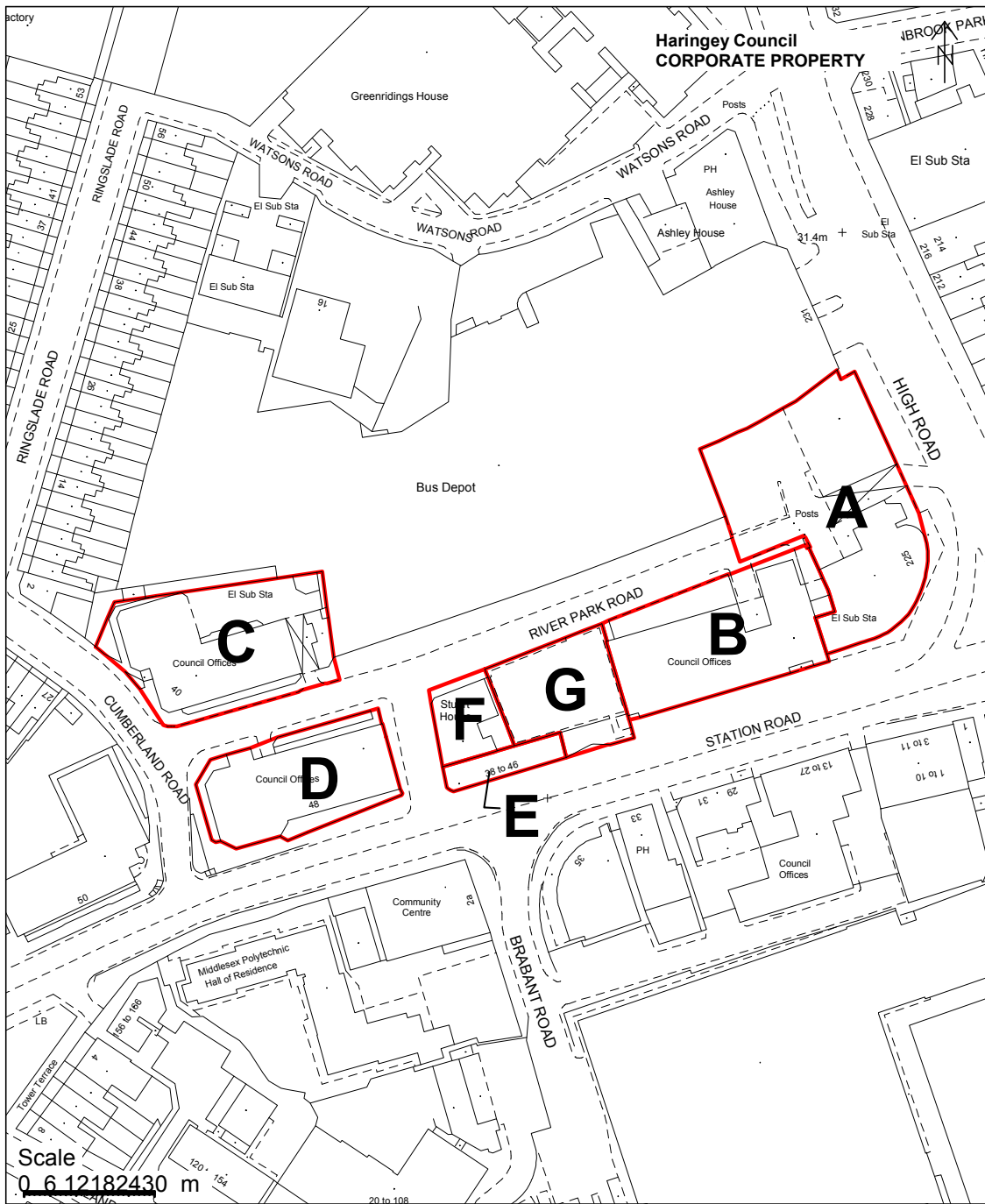
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**Haringey Council**  
**Appendix A Site Plan**



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**Wood Green N22**

- |                              |  |
|------------------------------|--|
| A - River Park House         | F - 5 River Park Road                  |
| B - Alexandra House (LHO)    | G - Car Park adjoining Alexandra House |
| C - 40 Cumberland Road       | H - Woodside House                     |
| D - 48 Station Road          | J - Civic Centre                       |
| E - 38-46 Station Road (LHO) |  |