



**Haringey Council**

Report for:	Cabinet 10 February 2015	Item Number:	To be added by the Leader's Office
Title:	The Red House, 423 West Green Rd, N15		
Report Authorised by:	Lyn Garner - Director of Regeneration, Planning & Development		
Lead Officer:	Jon McGrath – Assistant Director Property & Capital Projects Tel: 020 8489 2198 e-mail: jon.mcgrath@haringey.gov.uk		
Ward(s) affected: St Anns	Report for Key Decision:		

**1. Describe the issue under consideration**

1.1 This report recommends disposal of a property that is not suitable for long-term retention following changes in service delivery. It is further recommended that a disposal should proceed directly given the need to achieve capital receipts to sustain the capital programme, whilst also reducing property running costs.

**2. Cabinet Member introduction**

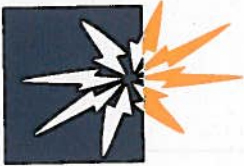
2.1 The Red House, 423 West Green Rd, N15 remains surplus to Council requirements. The disposal is therefore in accordance with the Council's Corporate Asset Policy and will also release latent value and generate capital receipts to support the capital programme and wider Council priorities.

**3. Recommendations**

It is recommended that Cabinet:

3.1 Re-confirms the original decision by Cabinet on 12 February 2013 that the Red House, 423 West Green Rd, N15 is surplus to requirements.

3.2 Authorise the Assistant Director of Property & Capital Projects to dispose of the Council's freehold interest in the Red House, 423 West Green Rd, N15 for best consideration reasonably obtainable to Magic Homes/Leonard Cheshire Disability.



3.3 In the event that Magic Homes/Leonard Cheshire Disability are unable to proceed with the acquisition, that officers engage with Derby Hall Christian Assembly/Aitch in an attempt to agree a holistic policy compliant scheme.

3.4 In the event that Derby Hall Christian Assembly/Aitch are unable to present a holistic policy compliant scheme and proceed to an acquisition, that the Red House, 423 West Green Rd, N15 is offered for sale on the open market for best consideration reasonably obtainable.

#### 4 Other options considered

##### 4.1 Retention of the property as is:-

A Property Review previously deemed, following cross service consultation, that no future Council operational or strategic requirements have been identified for the Red House, 423 West Green Rd, N15.

##### 4.2 Retention for wider area regeneration:-

The Red House is not in a designated regeneration area and a disposal that brings forward a new mixed use development scheme will help improve the local area.

#### 5 Background information

5.1 The Red House, 423 West Green Rd, N15 was operated by the Council as a Residential Care Home for older people. The 34 bed 2 storey care home provided services for the physically frail and older people with dementia until its recent closure in 2013.

Please see attached Ordnance Survey extract plan no. BVES A4 0358e for identification purposes. The subject asset is located within the borough's St Anns Ward.

5.2 The closure followed a Cabinet resolution on the 19 July 2011 to shut the Red House, 423 West Green Rd, N15 along with other Council owned older people's residential care homes.

5.3 EXEMPT

5.4 EXEMPT

5.5 EXEMPT

5.6 The title check also revealed that rights of way exist over the car-park to the rear of the Red House, 423 West Green Rd, N15 in favour of the Derby Hall Christian Assembly (DHCA), 425-431 West Green Rd, N15. DHCA is a small multi-national



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church which holds services in English. They also let a small space within their grounds to the Rainbow Nursery (rated as "good" by the last Ofsted inspection).

- 5.7 The DHCA is situated adjacent to the Red House (please see attached Ordnance survey extract plan no. BVES A4 0358e) and were relocated to their present site as part of a land swap following the West Green Rd/Stanley Rd/Culross Rd (Clearance Area) CPO 1967, which eventually made way for, amongst others, the Council's Culross and Albany Housing estates.

Historically, Derby Hall was located circa 250m to the rear of the existing Red House on the now extinct Derby Rd, N15, where a place of worship dated back to the turn of the last century.

- 5.8 The DHCA were approached to gauge their appetite for relinquishing their rights over the car-park (so as to improve the development potential for the Red House). However, they declined this and expressed an interest in acquiring the Red House.
- 5.9 As the DHCA were considered a special purchaser (by virtue of being an adjacent landowner), they were given the opportunity to put forward a proposal; a special purchaser is usually prepared to pay a sum in excess of the market value that other hypothetical purchasers in the market would be prepared to pay.
- 5.10 The DHCA sought to engage on a joint venture initially with the developer Magic Homes as they acknowledged they would be unable to bring forward a development proposal on their own without a development partner.
- 5.11 However, the DHCA were unable to agree terms with Magic Homes and after engaging with a number of professional suitors/advisors, subsequently entered into a joint venture agreement with the Aitch Group.
- 5.12 During the interim, Magic Homes had undertaken considerable preliminary work, including the acquisition of an interest in the adjacent pub (which renders them with special purchaser status) to further widen the development envelope and entered into a joint venture agreement with the charity Leonard Cheshire Disability, who provide independent living units for the disabled and are seeking to launch their first London project on the Red House site.
- 5.13 Consequently, a decision was made together with the Council's retained agent to invite both parties, as special purchasers, to submit their proposals, but within an agreed set of development planning parameters (on receipt of informal advice) which would help the Council and their retained agent to compare like for like and assist in arriving at a meaningful decision. This could result in accepting one, or rejecting both.
- 5.14 Both parties have submitted the following proposals, a synopsis of which has been set out below:-



### DHCA & Aitch

- 2 blocks comprising a 3/4 storey block consisting of a new 5000ft<sup>2</sup> church & nursery, 4000ft<sup>2</sup> A1 retail and residential units and
- A separate 3 storey rising to 6 storey residential block. 85 residential units in total across both blocks.
- A new road dissecting the 2 blocks linking West Green Rd and Stanley Rd.
- EXEMPT

### Magic Homes & Leonard Cheshire Disability

#### *Option A*

- A predominantly 3 storey block (rising to 5 storeys at the north east corner) consisting of a new 4,800ft<sup>2</sup> church (for DHCA), 41 residential units and 11 independent living units for the physically disabled.
- A new community facility of 1120ft<sup>2</sup>
- EXEMPT

#### *Option B (DHCA retain their existing premises with this option)*

- A predominantly 3 storey block (rising to 5 storeys at the north east corner) consisting of 41 residential units and 11 independent living units for the physically disabled.
- A new community facility of 829ft<sup>2</sup>
- EXEMPT

5.15 Both the proposals put forward by DHCA/Aitch and Magic Homes/Leonard Cheshire Disability are broadly in line with development planning policy. However, advice provided by Transportation Planners has assisted with evaluating both party's submissions and arrive at a recommendation.

5.16 Having given consideration to both parties submissions, Transportation Planners are principally concerned with the DHCA/Aitch's proposal to increase the size of the church. Although informal development advice suggested a new church of up to 5,000 ft<sup>2</sup> could be supported within a new development, Transportation Planners are concerned that the area's CPZ is unable to offer a sufficient level of



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parking control to mitigate the increase in parking/traffic generated by a proposed expansion of the church.

- 5.17 Furthermore, Transport Planners have additional concerns with DHCA/Aitch's proposed new private road, which would run through the site from West Green Rd to Stanley Rd. The new private road would include provision of loading bays for deliveries by articulated vehicles within a Home Zone and would further result in additional traffic onto Stanley Road (a no-through road).
- 5.18 For the reasons cited in 5.16 & 5.17 above, Transportation Planners are unable to support DHCA/Aitch's submission. Transportation Planners are only able to support Magic Homes/Leonard Cheshire Disability's Option B proposal.
- 5.19 Although DHCA/Aitch submitted the highest offer, this is predicated on what is now deemed an un-viable development scheme. Magic Homes/Leonard Cheshire Disability's offer is thus acceptable, with scope for improvement as their bid assumes a modest density (given the site's high PTAL rating of 6).
- 5.20 This report consequently seeks authority for the Assistant Director of Property & Capital Projects to negotiate a sale, subject to planning, of the Council's freehold interest in the Red House, 423 West Green Rd, N15 for best consideration reasonably obtainable to Magic Homes/Leonard Cheshire Disability.
- 5.21 In the event that Magic Homes/Leonard Cheshire Disability are unable to proceed, that officers engage with Derby HCA/Aitch in an attempt to agree a holistic policy compliant scheme, failing which the asset is offered for sale on the open market.
- 6 Comments of the Head of Planning Policy & Transport Planning
- 6.1 The Head of Planning Policy & Transport Planning has considered both proposals.
- 6.2 Due to concerns including a proposed increase to the size of the church, which would result in an increase in both trip generation and parking, along with the creation of a new private road with loading areas within a predominantly Home Zone, Transport Planning cannot support the DHCA/Aitch proposal.
- 6.3 Due to concerns including a proposed increase to the size of the church, which would result in an increase in both trip generation and parking, Transport Planning cannot support Magic Group/Leonard Cheshire Disability's Option A.
- 6.4 With the existing church remaining un-changed and the proposed community use small enough not to cause an adverse impact, Transport Planning can support Magic Homes/Leonard Cheshire Disability's Option B.



## 7 Comments of the Chief Finance Officer and financial implications

7.1 The proceeds of this disposal are required to support the Council's capital programme and the forecast capital receipt has been factored into the Medium Term Financial Plan.

### 7.2 EXEMPT

7.3 However, at this point there is a substantial risk that the available capital receipt will be significantly reduced by monies that may need to be paid to the NHS as outlined in Paragraphs 5.4 and 5.5 of this report.

7.4 Although the bid from Magic Homes / Leonard Cheshire Disability is less than the bid from DHCA & Aitch, it is the recommended bid as the Magic Homes scheme is more likely to be planning policy compliant and the DHCA & Aitch bid is dependent on the planning application being approved and thus the amount offered in this case is seen as unlikely to be received.

## 8 Comments of the Assistant Director of Corporate Governance and legal implications

8.1 Under Section 123 of the Local Government Act 1972 the Council has the power to dispose of its freehold interest in the Red House to Magic Homes/Leonard Cheshire Disability for the best consideration reasonably obtainable.

8.2 The Report in paragraph 5.4 correctly states that a caution is registered against the title which requires the Council to repay the grant of £1.74m on a disposal. It should also be noted that at present no agreement has been reached with the NHS regarding repayment of a proportionate part of the grant.

8.3 Any future development of the Red House may require the consent of the Derby Hall Christian Assembly Trustees to vary their parking and access rights over the Red House.

8.4 Consideration should be given to include in the sale agreement overage provisions designed to trigger further payment in the event of increased density of the sale site at a later date.

## 9 Comments of Deputy Director for Community Housing

The Deputy Director for Community Housing has been consulted in the preparation of this report.

## 10 Equalities and Community Cohesion Comments

10.1 The capital receipts generated from the disposals will support Council objectives benefiting the wider community



## 11 Policy Implications

11.1 The proposals are consistent with the Council's Corporate Asset policy as set out in the Asset Management Plan.

## 12 Reasons for Decision

12.1 This report recommends that Members re-confirm the original decision by Cabinet on 12 February 2013 that the Red House, 423 West Green Rd, N15 is surplus to requirements.

12.2 Members are asked to note that a caution exists on the Red House which will result in redemption sum being paid in the region of £600,000 from the eventual capital receipt.

12.3 As the Red House is not suitable for long-term retention following changes in service delivery, this report consequently recommends a disposal to the special purchasers Magic Homes & Leonard Cheshire Disability as their proposed scheme is policy compliant, which will assist in generating a capital receipt to sustain the capital programme.

## 13 Use of Appendices

13.1 Appendix 1– Ordinance Survey Plan of the Red House, 423 West Green Rd, N15.

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

### 14.1 Background Documents

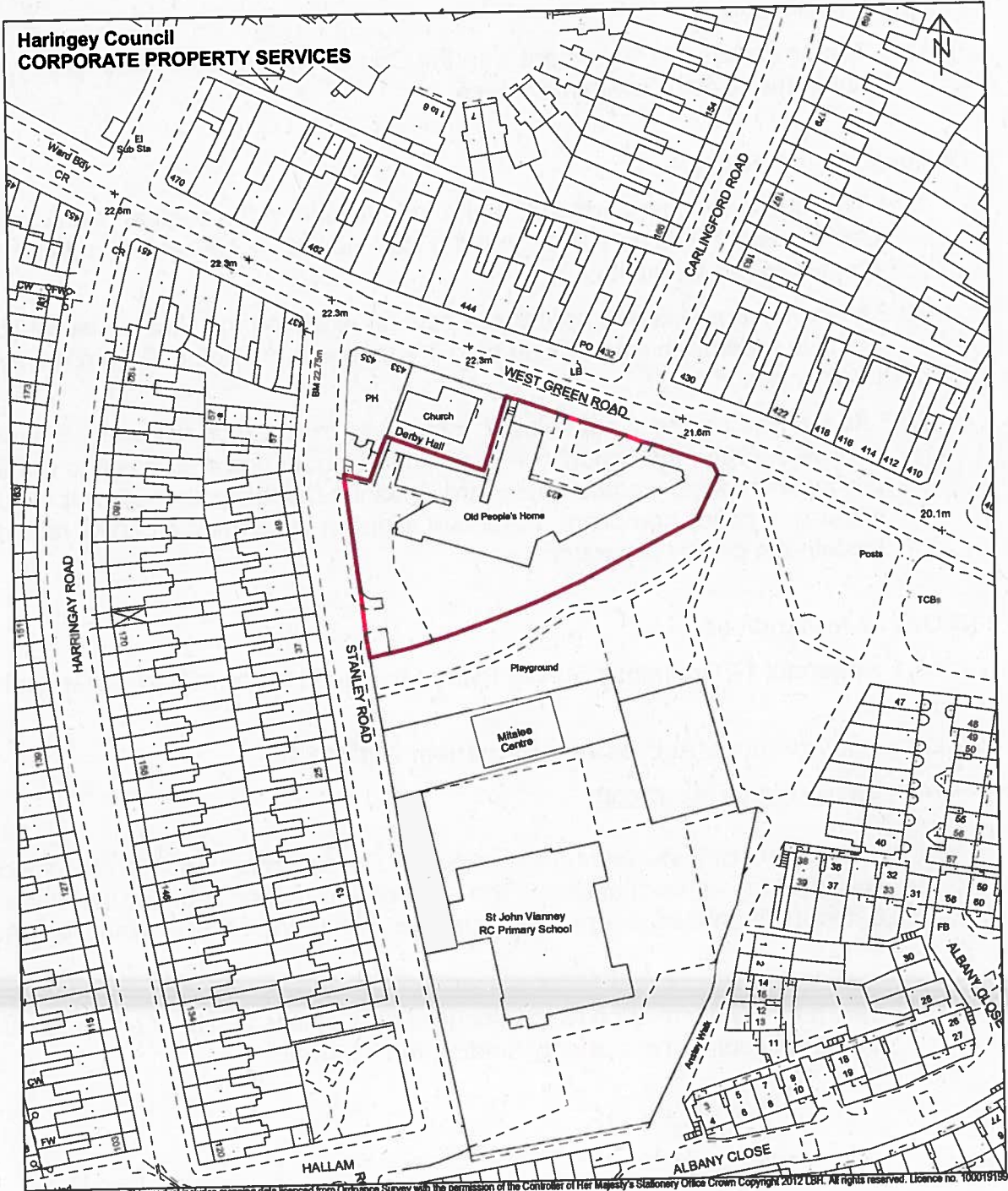
14.2 The report contains exempt information. Exempt information is contained in Part B and is not for publication. The exempt information is under the following category (identified in amended schedule 12A of the Local Government Act 1972):-

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



Haringey Council

Appendix 1



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**The Red House**  
**423 West Green Road**  
**Tottenham**  
**LONDON**  
**N15 3PJ**

Deed packet : Multiple  
LR title no. : Multiple  
Site Area (hectares) : 0.3015 ha

CPM No. 0816  
Overlay : H & SS - Community Bldgs  
Plan produced by Janice Dabinett on 07/11/2012

Scale 1:1250  
Drawing No. BVES A4 0358e