

Report for: Cabinet 10th November 2015

Item number: 15

Title: Sale of the Olympia Trading Estate, Cobourg Road N22

Report

authorised by : Lyn Garner, Director of Regeneration, Planning & Development

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Ward(s) affected: Noel Park

Report for Key/

Non Key Decision: Key decision

1. Describe the issue under consideration

1.1 The Council owns the freehold of the Olympia Trading Estate which is an industrial estate located in Cobourg Road. The estate is part of the Clarendon Road development proposal.

1.2 A Cabinet decision on 16th September 2014 resolved to grant an option to purchase the freehold interest in the property to the GLA. The GLA were at that time negotiating with National Grid in order to agree a joint sale of the development site covering the whole of the Clarendon development scheme.

1.3 National Grid have subsequently formed a joint venture company with Berkeley Homes called St. William Homes LLP and have recently agreed to include this site in the company. The GLA and the Council are in discussion with St. William who are proposing to purchase the freehold interest in the Olympia Trading Estate directly. On this basis the Council would receive full value of the land on completion with an overage agreed to ensure best consideration is achieved as the development moves forward.

2. Cabinet Member Introduction

2.1 The sale of the freehold of the Olympia Trading Estate to St. William is an important step in enabling the Clarendon Road development. This is a key regeneration project in Wood Green which will provide a housing led mixed use development on a site which is a major Regeneration priority.

3. Recommendations

3.1 It is recommended that Cabinet agree:

- a) To sell the freehold of the land known as the Olympia Trading Estate and edged red on the plan in Appendix A to either St.William Homes LLP or the GLA for the estimated sum set out in the exempt part of this report.
- b) The disposal to be on the draft Heads of Terms set out in the exempt part of this report.
- c) That delegated authority be given to the Director of Regeneration Planning and Development after consultation with the Cabinet Member for Housing and Regeneration and Cabinet Member for Resources and Culture to agree the final terms (including the final sale price) for the disposal.

4. Reasons for decision

4.1 Cabinet has previously agreed to an option to sell the freehold of the Olympia Trading Estate to the GLA but it has now been agreed that the disposal be through a straight sale either to St William or the GLA as this will be more tax efficient.

4.2 The Olympia Trading Estate forms part of Clarendon Square a key regeneration area in Wood Green. The sale of the freehold of the estate to St.William will help enable the development and take it to the next stage.

4.3 The deal with the GLA and St.William will reflect current market conditions and reflect best consideration.

5. Alternative options considered

5.1 Members have already approved that the Council enter into an option to sell the freehold of the Olympia Trading Estate.

5.2 The alternative option is not to agree the sale of the freehold interest in the Olympia Trading Estate to St.William. This would result in delaying the development of the Clarendon Square development and the implementation of the current planning consent for the site.

6. Background information

6.1 The Clarendon Square development is a key regeneration site in Wood Green. The existing outline planning consent provides for approximately 1,000 residential units together with business and retail space and some community provision. St.William have appointed an architect and are working on a detailed proposal which will reflect the Wood Green Investment Framework and Area Action Plan currently being developed. The development will support the local infrastructure and green link proposals helping to support the wider regeneration of the area.

- 6.2 There are currently four industrial units on the site which support two businesses. The Council are working with St. William to identify an alternative options for the relocation of the businesses in line with the S106 requirements.
- 6.3 The Olympia Trading Estate forms part of the Clarendon Square development proposal which is a key strategic Council regeneration area. The site is an opportunity to regenerate a large underused area and to provide housing led mixed use development and is covered by the Haringey Heartlands Development Framework adopted in April 2005.
- 6.4 The site is adjacent to the former British Gas site now owned by St. William a joint venture between National Grid and Berkeley Homes. The site occupies a key position at the northern end of the site forming 19% of the overall area of the proposed development site.
- 6.5 The Council is the freeholder of the estate which is leased to the GLA on a 125 year lease from 1980. The Council currently receives 11% of the rental value details of which are set out in Part B of this report.
- 6.6 The site forms part of a development site which has received outline planning consent for a mixed residential and retail development scheme. This was granted on 21st March 2012.

Regeneration and Housing

- 6.7 Wood Green is identified as a major regeneration priority in the Corporate Plan 2015-2018, under Priority 4, Objective 5: 'Focus growth, by prioritising new homes and jobs in Wood Green and particularly in Tottenham, where need and opportunity are greatest, and by bringing some of the borough's key community assets into more active use'.
- 6.8 An Investment Framework (IF) and an Area Action Plan (AAP) for Wood Green town centre are being developed. These combined will provide a comprehensive spatial and economic plan and planning framework for the town centre, alongside an assessment of the investment levels required to deliver major residential and commercial development, new public open spaces and improved connections over a 15-20 year period. This includes enabling a minimum of 4,600 new homes and 1,500 new jobs in Wood Green over the planned period to 2026.
- 6.9 The Investment Framework will also inform decisions on the council's accommodation in Wood Green and the effective future use of the council's own land and property assets to maximise regeneration objectives.

- 6.10 The Investment Framework and Area Action Plan are in development. A report is due to be presented to Cabinet in January 2016, requesting authority to go to public consultation (Regulation 18) on the broad options for regeneration of Wood Green.
- 6.11 The Olympia Trading Estate site is within the boundary of the Investment and Area Action Plan area and is viewed as important in delivering on the emerging strategic objectives of delivering residential, employment and commercial growth in the town centre and facilitating improved east-west connections between the high road and adjacent areas, in particular the creative quarter and Alexandra Palace and Park.
- 6.12 The Olympia Trading Estate site forms part of a larger cluster of adjacent sites (including council-owned sites on the corner of Coburg Road and Western Road) which offers major potential to increase the scale and quality of development, including attractive active frontages along a future route/green link to Alexandra Palace and park via the Penstock tunnel. It would be preferable to bring these sites forward together rather than risk the alternative piecemeal development.
- 6.13 A Wood Green Investment Framework Advisory Group has been set up to communicate and provide a channel for key land owners to be consulted and input into the Investment Framework options as they develop and St. William are member of this group.

Planning

- 6.14 The outline planning consent for Clarendon Square is subject to a number of conditions and also a Section 106 agreement.
- 6.15 The S106 agreement includes a requirement to use reasonable endeavours to assist the two existing businesses on the Olympia Trading Estate (occupying four units) in seeking alternative premises in the first instance in Haringey. The Council are already in discussion with St. William in looking for alternative premises in the Borough for the tenants of the estate.
- 6.16 St. William have recently appointed an architect Panter Hudspith to review the existing planning consent for the Clarendon Square development. They are also in discussion with the Council to review other land holdings adjacent to see if they can add opportunity to the development and to support the Council's current accommodation requirements in Wood Green.

Best Consideration

- 6.17 The deal is still subject to negotiation with a proposal to combine the Council's freehold interest with the long lease held by the GLA and to sell directly to St. William. The deal agreed will ensure best consideration and will include overage to take into account any planning changes and an improving property market.

6.18 The likely capital receipt for the site is set out in Part B to this report.

7. Contribution to strategic outcomes

7.1 The recommendations in this report are related to a number of Council wide corporate policies and priorities and will help deliver the Council's priorities as set out in the Corporate Plan 2015-2018: building a stronger Haringey together and in the draft Housing Strategy. In particular, the low cost home ownership homes in this proposed development will support delivery of the Council's target for affordable housing in the Borough.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

8.1 The full capital receipt that will be generated by this disposal will be used to support the Council's current approved capital programme.

8.2 Proceeds from the disposal have already been factored into the Council's capital programme forecast. Further details are set out in Part B to this report.

8.3 The Corporate Procurement Unit notes the recommendations in this report and that there is no input from procurement required.

Legal

8.4 The Olympia Trading Estate is held by the Council for planning purposes. Under Section 233 of the Town & Country Planning Act 1990, the Council may dispose of the land in such manner and subject to such conditions as appear to the Council to be expedient in order to secure the best use of the land, or to secure the construction of buildings or carrying out of other works needed for the proper planning of the area. The Council has to make sure that the disposal of the land would indeed result in the redevelopment as proposed and must safeguard against that in the sale agreement.

8.5 The Council must also obtain best consideration for its freehold interest in the land.

8.6 Any sale to St William must include an indemnity to the Council in respect of any residual liability that may fall to the Council as a result of St William relying on Section 237 of the Town & Country Planning Act 1990 to override third party interests during the development.

Equality

8.7 The Council is subject to the Public Sector Equalities Duty (“PSED”) set out in section 149 of the Equalities Act 2010 which obliges the Council in performing its functions “to have due regard to the need to:

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it”

8.7 The protected characteristics under the legislation are age, sex, ethnic origin, sexual orientation, disability, religion or belief, pregnancy or maternity and gender reassignment, marriage and civil partnership.

8.8 The sale of the Olympia Trading Estate has no impact on employees of the Council. The existing sub tenants will be assisted in their relocation by the developer St.William as part of the Section 106 agreement.

8.9 The Olympia Trading Estate will form part of the Clarendon Square development to be undertaken by St.William. There will be many positive impacts on Wood Green by the development through the creation of employment, public space and affordable housing. These will have a positive impact on Wood Green’s diverse communities and promote community cohesion (public space). The broader Wood Green regeneration programme is being conducted through close consultation with residents and will feed into the development proposal.

9. Use of Appendices

9.1 Appendix A – Site Plan of Olympia Trading Estate

9.2 Draft Heads of Terms [Exempt]

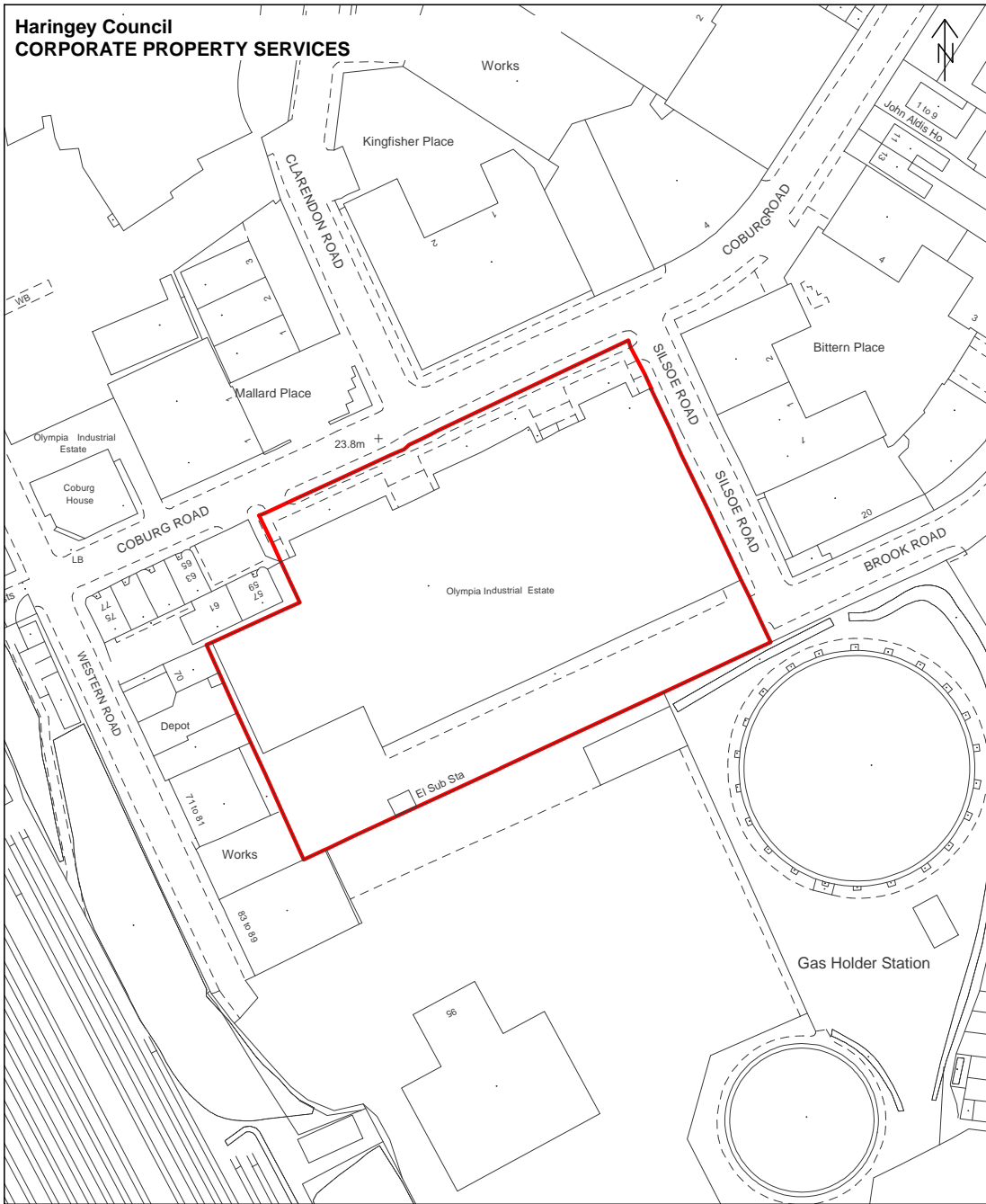
10. Local Government (Access to Information) Act 1985

10.1 Background papers include Cabinet report dated 13th March 2008 and Cabinet report dated 16th September 2014.

10.2 This report contains exempt and non exempt information. Exempt information is contained within 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 financial or business affairs of any particular person (including the authority holding that information).

Appendix A – Site Plan Olympia Trading Estate



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Olympia Trading Estate
Coburg Road
Wood Green
LONDON N22

CPM No.
 Overlay : *Heartlands - Head Leases*
 Plan produced by Kevin Lincoln on 18/02/2008

Site Area (hectares) : 0.841
 Scale 1:1250
 Drawing No. BVES A4 1080b