

**Report for:** Leader signing 31 August 2017

**Title:** Sale of Keston Road site – budget to achieve vacant possession

**Report**

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

**Lead Officer:** Laura Bridges, Head of Strategic Property

**Ward(s) affected:** West Green

**Report for Key/ Non Key Decision:** Key

**1. Describe the issue under consideration**

- 1.1. The Council is due to complete the sale of the freehold interest at Keston Road to Pocket Living in October 2017 for affordable housing for a sale consideration of £3.483m (agreed by Cabinet September 2015). The site currently accommodates the Family Contact Centre, also known as the Maya Angelou Centre, the West Green Play Group and the Goan Community Centre. In order to achieve the sale of the freehold interest, three existing occupiers on the site will need to be relocated as the Council has contracted to give vacant possession on completion. As part of the sale agreement the Council will relocate the Family Contact Centre to Winkfield Road, and Pocket Living will re-provide community centre accommodation on the site for the Goan Community Centre and the West Green Playgroup.
- 1.2. The Council is required to enter into a Development Agreement with Pocket Living setting out the contractual obligations for building the new Community Centre. The latest date this agreement can be signed so as not to delay completion on the land sale agreement for October 2017, is the end of August 2017. As this deadline is prior to the September Cabinet date, a Lead Member decision is requested in order to approve the inclusion on the capital programme of a budget of £1.524m to achieve vacant possession.

**2. Introduction**

- 2.1. The previously agreed sale of the Keston Road site for redevelopment provides an opportunity to provide much needed affordable housing in the Borough. When the sale was agreed it was acknowledged that the current occupiers of the site would be given the opportunity to relocate into more modern premises and this is now being realised through plans for a new community centre on the site and refurbished premises at Winkfield Road. This report confirms the funding allocation for relocation of these occupiers which is balanced by the capital receipt from sale of the land.

**3. Recommendations**

- 3.1. That the budget for the Winfield Road scheme (scheme number 450) is increased by £687,000 to £982,000.
- 3.2. That a new scheme, The Relocation of the Goan Community Centre and the West Green Playgroup, be included within the approved capital programme with a budget of £542,000

#### **4. Reasons for decision**

- 4.1. The key justification for this decision is to facilitate the completion of the Development Agreement with Pocket Living by no later than end of August 2017, in order not to delay completion of the land sale agreement.
- 4.2. At the time of the original cabinet decision the costs for relocation of the occupiers was not known. Work has now been completed to determine the refurbishment required to Winkfield Road and the fit out specification of the new community centre which has determined the budget requirement.

#### **5. Alternative options considered**

- 5.1. The alternative option is not to include a budget to achieve vacant possession in the capital programme. This would frustrate completion of the Development Agreement and delay completion of the sale to Pocket Living, putting the sale consideration at risk with the possible loss of a capital receipt for the Council as well as delaying the relocation of existing occupiers.

#### **6. Background information**

- 6.1. Cabinet agreed to a sale of the freehold interest at Keston Road to Pocket Living in September 2015. The total proceeds from the sale are £3.483m. As part of the Conditions of Sale, three existing occupiers on the site will need to be relocated as the Council has contracted to give vacant possession and completion of the site is due to occur in October 2017. Terms have been agreed in principle for the occupiers to relocate.
- 6.2. The three occupiers are the Goan Community Centre (GCC), the West Playgroup (WGP), and the Family Contact Centre. It has been agreed as part of the sale agreement that the Council will relocate the Family Contact Centre to Winkfield Road and Pocket Living will re-provide new community centre accommodation on land to be retained by the Council.
- 6.3. £295k of funding has been secured for the project to date to undertake the feasibility study on the Family Contact Centre move to Winkfield Road and this is already included on the Capital programme agreed by Cabinet in June 2016.
- 6.4. 39 Winkfield Road (previously occupied by the Greek Parents Association and due to be vacated shortly) has been identified as the preferred location for the Family Contact Centre to relocate to. Designs have been prepared and it has been determined that building alterations and general maintenance and repairs are required in order to accommodate the service and ensure that the building

meets current regulations. These costs total £982k of which £295k of funding is already agreed.

- 6.5. A report will be taken to Cabinet in September 2017 to seek approval to award a construction contract for the works to Winkfield Road. Outline design and requirements have been determined for the new community centre on the Keston site which will accommodate the GCC and WGP. The costs to fit out the new community centre total £542k.
- 6.6. All of this work has determined that approval is required to invest £1,524,000 in 2017/18, 2018/19, and 2019/20 for alteration works, general maintenance, and repairs at 39 Winkfield Road and fit out works to a new Community Centre to be built by Pocket Living on the existing Keston Road site. The works are to be funded from the capital receipt as per the financial summary in Appendix A.

A Milestone table is included below to confirm the timescale for development of the site.

<b><i>Milestone</i></b>	<b><i>Key Date</i></b>
Development Agreement signed	Sept 2017
Award of contract (Winkfield Road)	Sept 2017
Works start on site (Winkfield Road)	Nov 2017
Works start on site (Keston)	Oct/Nov 2017
New community centre complete & occupied	July 2018
Winkfield Road complete & occupied	Mar 2018
Development of Keston site complete	Min Oct/Nov 2018

## **7. Contribution to strategic outcomes**

- 7.1. The redevelopment of the Keston site relates 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**

The approved capital programme contains a budget of £295,000 for the Winkfield Road scheme and a budgeted capital receipt of £3,483k providing a net capital receipt of £3,188k.

This report seeks agreement to increase the budget for one scheme within the approved capital programme and include one scheme into the approved capital programme. The report is seeking to increase the budget for the Winkfield Road

scheme (scheme number 450) from £295,000 to £982,000. The report also seeks to include a new scheme, the Relocation of the Goan Community Centre and the West Green Playgroup, with a budget of £542,000.

If the recommendations of the report are accepted then the revised net capital receipt will be £1,959k, a reduction in overall resources of £1,229k. In order to contain this reduction in resources an allocation has been made from the approved capital programme contingency of £1,229k.

## **Legal**

The Council Constitution requires that Executive functions must be discharged in accordance with the policy framework and budget adopted by Full Council. The budget includes amongst other things the allocation of financial resources to different projects. The recommendations set out in the report for decision must be in line with the policy framework and adopted budget. As finance has confirmed that an allocation has been made from the approved capital programme contingency of £1,229k, therefore the Leader has delegated authority to agree the recommendation set out in the report.

## **Equality**

The Council has a public sector equality duty (PSED) under the Equality Act (2010) to have due regard to:

- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- Advance equality of opportunity between people who share those protected characteristics and people who do not;
- Foster good relations between people who share those characteristics and people who do not

This decision gives effect to a previous decision by Cabinet in September 2015.

The disposal and redevelopment of the Keston Centre site will provide socio-economic regeneration in a priority area of the Borough by increasing the supply of affordable housing units. This decision will ensure that the sale of the freehold delivers wider community benefits including a newly built community centre and relocation of the Family Contact Centre to another suitable location.

Early and on-going engagement has been undertaken with the existing occupants on the Keston site to better understand their individual businesses/services in order to shape the design of the new community centre to the needs of service users. This will improve both service delivery and public access (which will include better disabled access along with a lift).

The Council has also worked with Pocket Living LLP and the existing occupiers to agree a phased construction programme that will not affect their business/services from continuing.

Pocket Living LLP have committed to delivering the new community centre through both the sales agreement, planning consent, s.106 agreement and development agreement.

**9. Use of Appendices**

Appendix 1 – Summary of financial information

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

There are no background documents

## Appendix 1 – Financial Summary

<b>Family Contact Centre Relocation (Winkfield Road)</b>	
Total Project Cost	982,000
LBH Secured Funding to date	295,000
<b>Required Funding</b>	<b>687,000</b>
<b>Goan Community Centre &amp; West Green Playgroup Relocation</b>	
Total Project Cost to LBH	542,000
LBH Secured Funding to date	0
<b>Required Funding</b>	<b>542,000</b>
<b>Total expected receipt for Keston Road (£3.2m + £283k)</b>	<b>3,483,000</b>
<b>Total capital funding required (including secured funding)</b>	<b>1,524,000</b>
<b>Remaining receipt</b>	<b>1,959,000</b>