

Committee: Cabinet

Date: 16 September 2013

Agenda item:

Wards: Abbey

Subject:

Lead officer: James McGinlay

Lead member: Councillor Andrew Judge

Forward Plan reference number: 1270

Contact officer: Jacquie Denton

Recommendations:

A. That the decisions of Cabinet at its meeting of 11 March 2013 be upheld.

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1. This report considers the reference from overview and Scrutiny Commission – call in of decision taken on sale of Land on the Broadway (P4).

2 DETAILS

2.1. The above site was declared surplus and agreed for disposal by Cabinet in December 2007, as an interim measure it has been used as a car park. The authority to approve terms for disposal of land is delegated to the Director of Environment and Regeneration and in turn to the Head of Sustainable Communities.

2.2. At its meeting of 17 December 2007 Cabinet resolved “that the development of the P4 site should be as a mixed use development comprising commercial elements (residential and retail), and community facilities”.

2.3. In order to ensure that the council achieved the best consideration reasonably obtainable for the site in any future disposal, and thereby satisfy its statutory duty, a report was taken to Cabinet at its meeting on 11 March 2013. This report recommended that the requirement for community use on the site be removed. This would not prevent community use on the site as potential purchasers including community use would still be able to bid, but would open the site up to bids which do not include community use.

2.4. The report also requested that the existing planning brief for the site, which is now 10 years old, be revoked

2.5. At the meeting of 11 March 2013 it was agreed that the decision of Cabinet at its meeting of 17 December 2007 requiring that any sale of the land include

- a community use be rescinded and that any future disposal on the open market be without restriction on use.
- 2.6. It was also agreed that the existing planning brief published in 2003 be revoked.
- 2.7. The decision of cabinet was called in by scrutiny and a report to answer questions raised by members was taken to Overview and Scrutiny (call in) on 2 May 2013.
- 2.8. In considering the reference from Overview and Scrutiny Commission the following are brought to Cabinets attention;
- 2.9. **a) “That Cabinet reconsider the decision taken on the sale of land on The Broadway”**. As previously stated the site has been on the disposal programme for a number of years. The site has not been marketed due to the financial climate and market conditions which meant that the interim use as car park, until now, represented best use of the asset.
- 2.10. The council constantly reviews its property and land holdings to ensure that best value is being achieved. In carrying out research relating to the preparation of the development brief the council commissioned external consultants to carry out an options study and provide a market review. An overview is provided in Appendix 1, with the full report relating to P4 contained in Appendix 2. Indications are that the market is improving and it is therefore considered that in bringing the site to the market now the council should be able to achieve a greater value, than the existing use value, for the asset both in financial terms and in terms of the regeneration opportunities which may be brought forward.
- 2.11. In order to achieve the best consideration reasonably obtainable for the council from any future disposal officers would wish to market it without restriction on use. It is also for this reason that outline planning consent has not been sought as the council would wish to encourage the greatest number of offers and not wish to limit it’s future use and potential.
- 2.12. Guidance with regard to development of the site is provided within the development brief. A development brief outlines the council’s aspirations for the development of a site within existing policy documents. It is an advisory document not statutory.
- 2.13. A parking demand study was carried out in 2012 this demonstrated that whilst The Broadway car park is a busy car park that the town centre retained sufficient capacity overall (including both private and council owned car parks) to accommodate the redevelopment of both the P3 and P4 sites. Alternative public car parks are available within a reasonable walking distance (up to 400- 500m) and during the day some on-street parking is also available close by around South Park Gardens. Although it is accepted that movement patterns around the town centre (vehicular and pedestrians) are likely to change as a result. Nevertheless, both sites are highly accessible by public transport and are supported by a network of accessible links. There is no restriction on the future development of the site and therefore the scheme could include parking. The Ambassadors Theatre Group, running Wimbledon Theatre ,support the proposal to dispose of and redevelop the car park.

- 2.14. **b) “That Cabinet undertake a more comprehensive valuation of the P4 site’s value (including its on-going value as a car park) before opening up to tender”.** It is correct that the Council should have an understanding of the current and most up to date value of this site before exposing it to the market so as to be sure that the exercise of marketing will not be in vain. The commissioning of external valuations has a cost, also the valuations provided would only remain valid for a period of 3 months. It is therefore intended that comprehensive valuation advice be sought at the time of any future marketing, to coincide with the date that tenders are received, including the value of the income stream, in order to inform the decision making process.
- 2.15. Whilst valuations have not yet been commissioned, as stated in para 2.10 above, the council has undertaken detailed appraisal analysis of the potential values for the site. These have informed the decision to consider marketing the site by providing contemporary advice on value for a number of development options. These appraisals will be refreshed prior to marketing.
- 2.16. **c) “That cabinet compares bids received with the sites current value as a car park, and does not accept any bid that fails to achieve value against this benchmark”.** This is accepted however it is important that the council complete a bona fide marketing process to maintain its credibility in the market. The council would not be obliged to accept any of the offers received unless they are beneficial to the council and offer best value compared to the current use of the site as income generator.
- 2.17. In it’s referral the Overview and Scrutiny Commission asked that Cabinet consider the potential for the site to contribute to the emerging “creative quarter” in this part of The Broadway. The P4 site is located within an area identified in Merton’s Core Planning Strategy (2011) as a cultural area/ quarter within the Wimbledon Sub Area. The cultural area/ quarter is an illustrative presentation of the existing cultural facilities, such as the New Wimbledon Theatre, restaurants and public houses (this list is not exhaustive) located in Wimbledon Town Centre.
- 2.18. Specific reference to the P4 site in Merton’s Core Planning Strategy states as follows: The future priority is to ensure the successful implementation of key development sites within the town centre in order to deliver new retail, leisure and entertainment facilities. The main priorities previously identified were Wimbledon Station Precinct, the Broadway Extension and the site adjacent to Wimbledon Theatre. Development of these sites would generally be mixed use with active frontages at street level and business space with possibly some residential on higher floors (para 16.15 pg.81)
- 2.19. Additionally the site is proposed in the Draft Sites and Policies Local Plan and Policies Map (Submission 2013) for: Any of the following or an appropriate mix of town centre type uses such as retail (A1 Use Class), café and restaurants (A3 Use Class), community (D1 Use Class), cultural, leisure and entertainment (D2 Use Class), offices (B1[a] Use Class) and hotel (C1 Use Class). The site may incorporate residential development (C3 Use Class) on upper floors.

- 2.20. The Overview and scrutiny Commission further asked Cabinet to note provisions of the Localism Act allowing the community right to bid for public assets.
- 2.21. The localism Act 2011 gave parish councils and local voluntary and community organisations the ability to nominate local land or buildings they would like to see included in lists of community assets. If the local authority agree to list a property then this property will remain on the list for five years during which time the owner will be unable to dispose of the property without first giving community interest groups an opportunity to purchase the property. Community interest groups are allowed a period of six weeks in which to decide whether they wish to bid for the property. If they confirm their intention to bid within the six week period they are then given a period of six months to arrange funding, and put together their bid and business plan. If the P4 site were successfully listed, this could delay the sale by up to six months. Currently the site is not listed as a community asset, although an application has been received which is being processed. Therefore the opportunity for the community to apply to bid for the site under the Localism Act 2011 does not currently arise.

3 ALTERNATIVE OPTIONS

- 3.1. n/a

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. As detailed in the report to Cabinet on 11 March 2013.

5 TIMETABLE

- 5.1. Subject to market conditions it is intended that the site be brought to the market in the second quarter of 2014.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. As detailed in the report to Cabinet on 11 March 2013 and report to Overview and scrutiny Commission (call in) 2 May 2013.

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1. The council has an obligation under section 123 of the Local Government Act 1972 dispose of an interest in land to obtain best consideration reasonably obtainable
- 7.2. Other implications are as detailed in the report to Cabinet on 11 March 2013 and report to Overview and Scrutiny Commission (call in) 2 May 2013.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1. None for the purpose of this report

9 CRIME AND DISORDER IMPLICATIONS

- 9.1. None for the purpose of this report

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 10.1. Linked to risk ER72. Consequence of risk is loss of income/reputation.

11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

- Appendix 1 Overview of the Appraisal Review & Market Research as at May 2012
- Appendix 2 Options study relating to P4 dated May 2012
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12 BACKGROUND PAPERS

- 12.1. Reference from Overview and Scrutiny Commission – Call in of decision taken on Sale of Land on the Broadway (P4)

