

<b>Item No.</b> 8.	<b>Classification:</b> Open	<b>Date:</b> 19 October 2010	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Joan Street car park SE1 8DA - Disposal of Council Land	
<b>Ward or groups affected:</b>		Cathedrals	
<b>Cabinet Member:</b>		Councillor Richard Livingstone, Finance and Resources	

## **FOREWORD – COUNCILLOR RICHARD LIVINGSTONE, FINANCE AND RESOURCES**

1. This report recommends the disposal of a small plot of land at Joan Street SE1, behind Southwark tube station.
2. This narrow strip of land is currently an informal car park and is both in a poor state of repair and under-used. Immediately to the south of the site is a disused three-story office/ light industrial building. The north side is bound by hoardings, beyond which lie in turn a narrow public footpath, the tube station's roof light structure, the pedestrianised Isabella Street and then restaurants and bars under the railway viaduct. The site is therefore one that is currently unattractive whilst its location offers significant opportunities for improving the locality.
3. Disposal of this land will also generate a capital receipt that will contribute towards funding the council's capital programme.
4. I have fully considered the report from officers set out below and I put forward the following recommendations:

### **RECOMMENDATIONS**

That the Cabinet:

5. Approves the disposal of council land at Joan Street, shown hatched and edged in black on the plan at Appendix 1 ("the Site"), to Northstar or their nominated company by way of freehold and on the terms outlined in the closed report.
6. Authorises the Head of Property to agree any minor variations to contractual terms.
7. Authorises that the capital receipt from the sale of the property is allocated to the council's capital programme.

### **BACKGROUND INFORMATION**

8. The council owns the freehold to a car park (Appendix 1), accessed directly from Joan Street in SE1, the southern boundary of the car park is bounded by the adjoining property, known as Algarve House. The car park is currently infrequently used and consists of approximately 0.046 acres which provides space for 6 parked cars.

9. Algarve House is owned by the developers Northstar who have recently presented updated proposals for the development of the site both with and without the council's land. A previous planning application for the development of 14 units with commercial space at ground floor was submitted to the council in October 2000 and the application was granted conditional approval with the conditions being agreed in April 2008, following which, the application was given consent. The intervening economic downturn around this time made efforts to bring the site forward for development uneconomic.
10. Due to an improved economic climate the developers have revisited the scheme and presented to the council updated proposals for the development of the site to include the adjoining car park in order to create a more cohesive developable space and provide for a greater developable area. Since receiving these proposals, the council has been in discussions with the developer to dispose of its interest in the car park.

### **KEY ISSUES FOR CONSIDERATION**

11. Northstar intend to develop the subject site with the adjacent property Algarve House in accordance with planning policy.
12. The proposed development will also provide commercial space on the ground floor with further enhancement of the public realm and creation of a small piazza in keeping with the surrounding improvements that have already been made in the local area - especially at the nearby railway arches and along The Cut. Unlocking this site for development will substantially improve the surrounding area, bringing forward a site that has remained under used and blighted for a long time.
13. In order to inform the negotiations with the developer, the council engaged external independent valuation advice who provided an assessment of the existing use value of the car park itself as well as of the value of the land which is contained within the closed report. The property is currently vacant and remains unused.
14. The Head of Property confirms that the proposed transaction meets the council's statutory duty to meet "Best Consideration" under Section 123 of the Local Government Finance Acts.

### **Financial implications**

15. These are set out in the closed version of the report

### **Policy implications**

16. Income generated from the sale of the Site will be allocated to the council's capital programme to be used in line with council priorities.

### **Community impact statement**

17. The development of the planning application for the development will be carried out in line with the council's statutory policies as a planning authority. It should also be noted that the previous application for the development of a scheme was also subject to consultation with the community.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Communities, Law & Governance**

18. Section 123 of the Local Government Act 1972 states that except with the consent of the Secretary of State, a council shall not dispose of land under that section, otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained.
19. As indicated in paragraph 14 of this report the Head of Property confirms that the consideration is the best that can reasonably be obtained.
20. If Cabinet is satisfied that the consideration is the best that can reasonably be obtained and the transaction represents value for money it may proceed with the approval of the recommendation.

### **Finance Director**

21. This report recommends the disposal of the Joan Street Car Park in accordance with the terms recommended in the closed report. As this is a General Fund property the receipt from this will be recycled in accordance with the Finance Regulations, into funding the council's Non Housing Capital Disposal Account for use of future council priorities.
22. The finance director notes that there has been an independent existing use valuation of the car park as well as of the value of the land as contained within the closed report.

## **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held at</b>	<b>Contact</b>
None		

## **APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Council Land plan

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Richard Livingstone, Finance and Resources	
<b>Lead Officer</b>	Richard Rawes, Strategic Director of Regeneration and Neighbourhoods	
<b>Report Author</b>	Tom Branton, Project Manager	
<b>Version</b>	Final	
<b>Dated</b>	7 October 2010	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		7 October 2010