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| Item No. 11. | Classification: Open | Date: 15 June 2021 | Meeting Name: Cabinet |
| Report title: | | Acquisition of Catlin Street, SE16 – Strategic Investment / site acquisition | |
| Ward: | | Old Kent Road/ Livesey | |
| Cabinet Member: | | Councillor Helen Dennis, Climate Emergency and Sustainable Development | |

FOREWORD – COUNCILLOR HELEN DENNIS, CABINET MEMBER FOR THE CLIMATE EMERGENCY AND SUSTAINABLE DEVELOPMENT

The acquisition of the stables at Catlin Street enables the council to safeguard the preservation of these Historic Heritage Assets whilst making them productive and useful work spaces for local businesses and start-ups. The purchase of the Stables land allows vehicular access to the council’s landlocked adjoining land to the North which together with the Stable land can be used to provide some 50 to 60 residential flats over commercial business space as proposed in the Old Kent Road Area Action Plan. This will enable the opening up of the rest of the councils land as accessible public space that without the purchase of the stables land would not be possible.

The purchase, which is being funded through the general fund from resources already identified for such purposes, will provide revenue from the commercial space and converted stables to support council services in these very challenging times and with the combined sites being able to accommodate between 50 to 60 flats, assisting the council in meeting its target to build 11,000 new council homes.

RECOMMENDATIONS

That Cabinet:

1. Authorises pursuant to s227 of the Town and Country Planning Act 1990, that the council acquires the freehold interest in the property known as the Old Stables Catlin Street SE16 shown edged black on the plan at Appendix A (“the Property”).
2. Authorises the principal purchase terms set out in full in paragraph 20 of the closed version of this report.
3. Delegates to the Director of Planning & Growth authority to agree the detailed terms of the acquisition.

BACKGROUND INFORMATION

4. The council is the freeholder of land at the rear of the Forge and the Old Stables, Catlin Street and St James Road, London, SE16. The three sites are in separate ownerships and comprise of an old stable block of 20 stables (shown edged in black on the plan), an adjacent Industrial forge building (shown cross hatched on the plan) and the councils land to the rear (shown hatched on the plan) used by the stables.
5. The combined sites are identified in the Old Kent Road AAP as having the potential to deliver a mixed use scheme of 60-100 residential units, commercial space to the ground floor, for the heritage assets to be retained and refurbished and for the remaining open space to be made publically accessible and improved.
6. Discussions have been held with the adjacent owners over a number of years and they have also investigated options to deliver a development with private developers.
7. The Stable blocks and the Forge are the subject of an Article 4 Direction approved by cabinet to preserve these historic buildings and protect them from demolition. The acquisition of the stables by the council is an important step in ensuring this heritage asset is preserved.
8. The council site is currently designated as open space but due to its use by the Stables and the lack of access it has never been available for use by local residents.

KEY ISSUES FOR CONSIDERATION

9. The opportunity to purchase the Property allows the council subject to planning to unlock the wider site and deliver a mixed use scheme, providing much needed affordable housing, new commercial space by converting the stables, protecting heritage assets in the borough and opening the back land to the public.
10. Negotiations have progressed to a stage where an offer has been provisionally accepted by the owners of the Property (see Closed report for offer details). The council instructed independent valuers who have confirmed that the agreed price represents good value to the council.
11. The acquisition of the Property allows a comprehensive scheme to be brought forward and as LBS would then own both parts of the site a scheme providing 50% affordable housing could be delivered, rather than the normal 35%.
12. The stables could be converted subject to planning into 20 small workshop units to let to small businesses and start-ups in the borough thus ensuring that the buildings remain economically viable and can be maintained in perpetuity.

13. Principal terms for the purchase of the property have been agreed by the vendor and the council and these are set out in the closed report. Inevitably when the contract for the purchase is negotiated there will be items of detail that will also require agreement and it is recommended that the Director of Planning & Growth be delegated authority to agree such matters.

PRINCIPAL PURCHASE TERMS

14. a) The council pays the consideration set out in the closed version of this report.
- b) On exchange of contracts the council pays a deposit set out in the closed version of this report.
- c) Contracts to be exchanged after the cabinet has approved the purchase subject to the period for call in.
- d) The parties to meet their own costs of the transfer.

COMMENTARY ON PRINCIPAL PURCHASE TERMS

15. a)-b) Refer to closed version of report.
- c) This is a standard provision
- d) A standard provision.

RATIONALE FOR RECOMMENDATIONS

16. a) To enhance the council's asset base by acquiring land for residential and commercial development.
- b) To further a commitment within the new Council Plan.
- c) To assist in the long term commitment to providing new homes for persons on the Housing Waiting List.
- d) To take ownership of and preserve the historic stable blocks and to convert them into workshop space which will assist in job creation and funding their repair and maintenance in future.

Community impact statement

17. The new Council Plan was the subject of extensive community consultation. The recommendations herein further the delivery of the *A Place to Belong* commitment set out in the Plan.
18. The Equality Act 2010 requires the council in the exercise of its functions to have due regard to the need to:

- a) eliminate discrimination;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
19. Relevant protected characteristics for the purposes of the Equality Act are:
- Age
 - Civil partnership
 - Disability
 - Gender reassignment
 - Pregnancy and maternity
 - Race
 - Religion or belief
 - Sex and sexual orientation.
20. In considering the recommendations herein the cabinet must have due regard to the possible effects on them of any groups sharing a protected characteristic in order to discharge its public sector equality duty. This is an ongoing obligation.
21. If the recommendations set out are approved, the council will purchase a heritage asset and preserve this for the benefit of the local community, increase access to public open space and create new homes including ones to be let at council rent levels together with new commercial investment space. Any new homes delivered will greatly improve the quality of life of its residents some of which may have protected characteristics.

Financial implications

22. The acquisition of the property will incur capital expenditure and this is considered in detail in the closed version of the report.
23. As set out in paragraph 9 the property will generate a long term income once the existing stable buildings are converted to workspaces and if the ground floor of any new development is commercial.

24. Submitting the bid for the property and processing the legal documentation necessary to complete the purchase, has and will incur revenue costs but these will be met from existing budgets.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law & Governance

25. The report recommends the acquisition of the Property shown edged black on the plan annexed, in order to combine this site with the council's adjoining land and to develop it for housing, with the historic stable block being retained and converted to workspace units which will generate an income for the Council.
26. The council has powers under s227 of the Town and Country Planning Act 1990 to acquire land by agreement. Section 227 says that a council or London Borough may acquire land by agreement for any purpose for which they are authorised to acquire land pursuant to s226.
27. A council is authorised to acquire land pursuant to s226 if the authority thinks that the acquisition will facilitate the carrying out of development, redevelopment or improvement on or in relation to the land, or if it will achieve a purpose in the interests of the proper planning of the area.
28. The proposed acquisition recommended by this report will facilitate the development of the land for housing, and will assist with the proper planning of the area by protecting heritage assets and fulfilling the requirements of the Old Kent Road Area Action Plan. The council therefore has adequate powers under the Town and Country Planning Act 1990 to acquire the Property.
29. The report confirms that authority to agree the detailed terms of the acquisition should be delegated to the Director of Planning and Growth pursuant to part 3 O of the council's constitution.

Strategic Director of Finance & Governance

30. Set out in closed version of the report.

BACKGROUND DOCUMENTS

| Background Papers | Weblink |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Council Plan 2018/9 – 2021/22 | Link (please copy and paste into browser): http://modern.gov.southwark.gov.uk/documents/s78763/Report%20Council%20Plan.pdf |

APPENDICES

| Appendix | Title |
|------------|--------------------|
| Appendix A | Plan Catlin Street |

AUDIT TRAIL

| | | |
|----------------------------------------------------------|------------------------------------------------------------------------|--------------------------|
| Cabinet Member | Councillor Helen Dennis, Climate Emergency and Sustainable Development | |
| Lead Officer | Stephen Platts, Director of Planning & Growth | |
| Report Author | Marcus Mayne, Principal Surveyor: Regeneration South | |
| Version | Final | |
| Dated | 3 June 2021 | |
| Key Decision? | Yes | |
| CONSULTATION WITH OTHER OFFICERS / CABINET MEMBER | | |
| Officer Title | Comments Sought | Comments included |
| Strategic Director of Housing & Modernisation | No | No |
| Director of Law & Governance | Yes | Yes |
| Strategic Director of Finance & Governance | Yes | In closed version |
| Cabinet Member | Yes | Yes |
| Date final report sent to Constitutional Team | 3 June 2021 | |

Appendix A- Catlin Street

