

## VACANT SITE NEXT TO THE KINGS ARMS PUBLIC HOUSE, HAREFIELD

<b>Cabinet Member</b>	Councillor Jonathan Bianco
<b>Cabinet Portfolio</b>	Finance, Property and Business Services
<b>Officer Contact</b>	Mike Paterson, Residents Services
<b>Papers with report</b>	None
<b>Reasons for urgency</b>	This agenda and report has been circulated less than usual 5 working days before the date of the petition hearing. Subject to the Cabinet Member's agreement, consideration of this report will be taken in public and for the following reasons for urgency: <i>to ensure the views of the petitioners can be heard in order for the Council to expediently consider the matter before the bid deadline of 17 April 2015.</i>

### HEADLINE INFORMATION

<b>Purpose of report</b>	To inform the Cabinet Member that an e-petition was received on 26 <sup>th</sup> March 2015 from Mr Peter Smith with 118 responses requesting that the Council considers making a bid by the 17 <sup>th</sup> April 2015 deadline for the vacant site next to The Kings Arms Public House, Harefield in order to build a community centre for the village. The site is being marketed by Brasier Freeth and is believed to be owned by Tesco. This is eligible for consideration at a Petition Hearing with the Cabinet Member for Finance, Property and Business Services.
<b>Contribution to our plans and strategies</b>	None.
<b>Financial Cost</b>	Corporate Finance has reviewed this report and concurs with the financial implications set out, noting that the purchase price is likely to be significantly higher than the quoted guide price and unlikely to demonstrate value for money.
<b>Relevant Policy Overview Committee</b>	Corporate Services and Partnerships Policy Overview Committee.
<b>Ward(s) affected</b>	Harefield.

## RECOMMENDATION

### That the Cabinet Member:

1. **Meets the petitioners and considers their request that the Council considers making a bid by the 17<sup>th</sup> April 2015 deadline for the vacant site next to The Kings Arms Public House, Harefield, in order to build a community centre for the village. The site is being marketed by Brasier Freeth and is believed to be owned by Tesco.**
2. **Decides on the appropriate course of action having met with the petitioners.**

## INFORMATION

### Reasons for recommendation

To allow the Cabinet Member to consider the e-petition with the petitioners.

### Alternative options considered

These can be identified from the discussions with the petitioners.

### Comments of Policy Overview Committee(s)

None at this stage.

### Supporting Information

1. An e-petition was received on 26<sup>th</sup> March 2015 from Mr Peter Smith with 118 responses requesting that the Council considers making a bid by the 17<sup>th</sup> April 2015 deadline for the vacant site next to The Kings Arms Public House in order to build a community centre for the village. The site is being marketed by Brasier Freeth and is believed to be owned by Tesco. This is eligible for consideration at a Petition Hearing with the Cabinet Member for Finance, Property and Business Services.
2. The residents have signed the following statement :-

*“We the undersigned petition the Council to consider making a bid by 17<sup>th</sup> April 2015 for the vacant site next to The Kings Arms Public House, Harefield owned by Tesco in order to build a community centre for the village”*

### Background

3. The justification for the petition states that the vacant site is in the centre of Harefield village, opposite the common and is owned by Tesco. It considers that "it is in an ideal location for a community centre for use by all the village. It could be used by retired residents to drop in to have tea and coffee. Used by parents/carers as they take their younger children to the play area on the common. Used in the evenings as a location for the new Harefield Youth Club. With the common opposite this would be an ideal youth club base. Used as an overflow for the Harefield children's centre as required. Used as a drop in centre for NHS clinics as appropriate. Meeting rooms for

village use. Citizens advice, support could also hold drop in clinics in appropriate meeting rooms. The petition justification also states that "this petition is to urgently ask Hillingdon Borough to make a bid to secure this site. To conduct a feasibility study for the use of the land. If the feasibility study fails then the land can be sold and Hillingdon Borough will not lose out. There is no other vacant plot of land near the common. If this opportunity is missed then Harefield will not be able to ever build a community centre that is so central to the heart of the village."

4. The vacant site is for sale through commercial agents Brasier Freeth at unconditional offers in excess of £300,000 for the freehold. The property particulars also state that conditional offers may be considered. Offers by sealed bids are to be received by Friday 17<sup>th</sup> April 2015.
5. The site measures approximately 0.17 acres and comprises an area of concrete hard-standing incorporating two existing structures being a detached flat-roofed building formerly used as a car wash together with a 19<sup>th</sup> century stable building previously used as a garage attached to a more recently constructed side addition. The stable building straddles the southern site boundary and is understood to be Grade II listed. The site has planning permission for conversion of the attached single storey workshop and demolition of the detached car wash building. The consented development proposes two storey retail premises of 2,820 sq ft Gross External Area (GEA) to ground floor and 710sq ft GEA to first floor together with three one bedroom flats arranged over first and second floors and four car parking spaces.
6. The deadline for submission of offers by 17<sup>th</sup> April does not leave sufficient time for the usual due diligence which Council officers would undertake prior to any property acquisition. The Council would normally obtain a full report on title from Legal Services to identify any legal impediments or defects in title. This might include rights affecting the property and restrictive covenants which may prohibit certain uses of the property. Site investigations would also be undertaken to assess the ground conditions and the historic use of the site as a garage may give rise to concerns over contamination and possible remediation costs which a purchaser may incur when developing the site. The lack of a proper due diligence leaves the Council open to a higher level of risk than would usually be considered.
7. The deadline for offers also prevents a detailed feasibility study of the site for the proposed use as a community centre. This would normally include a fully costed architectural design to demonstrate the financial viability of the proposed scheme. The proposed scheme would also require planning commentary to support the prospect of a planning consent being obtained. Ideally an offer would be conditional upon planning consent being obtained and in the current market, this is unlikely to be favourably considered by the current owner. The lack of any feasibility study again leaves the Council open to a higher level of risk than would usually be considered.
8. The existing commercial and residential planning consent is likely to attract offers substantially in excess of the values attributable to a community use and the Council will therefore be paying "over the odds" for the use proposed. Whilst the agents are seeking offers in excess of £300,000, the successful bid is likely to be considerably in excess of this figure.
9. The petition justification states that if the feasibility study fails then the land can be sold and Hillingdon Borough will not lose out. Due to the risks identified earlier in this

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#### PART 1 - MEMBERS, PUBLIC AND PRESS

report a purchase in these circumstances and a subsequent sale of the site is speculative and it is extremely unusual for the Council to enter into speculative acquisitions or developments as public funds are at risk.

10. The petition justification also states that there are no other vacant plots of land near the common. Whilst this is true, the Council does already own freehold land in the vicinity which might be considered for future redevelopment.

## **Financial Implications**

The full financial implications to the Council have not been quantified in the absence of the Council's usual due diligence work and feasibility studies as referenced in the commentary above. The successful bid is likely to be considerably in excess of the £300k guide price for the freehold. The Council is therefore unlikely to obtain value for money in attempting to purchase the asset in order for community use, as it would be attempting to outbid commercial bidders for the site.

## **EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES**

### **What will be the effect of the recommendation?**

The recommendation will enable the Cabinet Member to discuss with the petitioners their concerns, and allow him to consider whether or not to agree to their requests.

## **Consultation Carried Out or Required**

This Petition Hearing is an established part of the Council's consultation and Democratic process.

## **CORPORATE IMPLICATIONS**

### **Corporate Finance**

Corporate Finance has reviewed this report and concurs with the financial implications set out above, noting that the purchase price is likely to be significantly higher than the quoted guide price and unlikely to demonstrate value for money

### **Legal**

Section 120 of the Local Government Act 1972 enables the Council to purchase land "for the purposes of its functions" or for "the benefit, improvement or development of the area". As with all other powers, the Council must be satisfied that it will achieve "best value" by acquiring the land.

As the report makes clear, the very short timescale makes it impossible for the Council to carry out the necessary due diligence checks to ensure that it would obtain best value by purchasing the land. Any decision that the Council might make to purchase the land could be challenged in court by a Borough Resident or an unsuccessful bidder. Caselaw also makes it clear that the Council would not have any defence to a claim for judicial review.

## **BACKGROUND PAPERS**

E-Petition.