



**Executive
22 April 2014**

**Report from the Strategic Director
Regeneration and Growth**

Ward Affected:
Stonebridge

Disposal of land at Drury Way, Neasden, NW10 0TZ

Not for publication ('below the line')

Appendix B of this report is not for publication.

1.0 SUMMARY

1.1 This report sets out proposals for the disposal of the freehold of land within the Council's ownership at Drury Way, Neasden, NW10 0TZ.

2.0 RECOMMENDATIONS

That the Executive:

- 2.1 Approve the disposal the freehold interest in the land at Drury Way, Neasden, as marked on the attached plan, on a subject to survey basis to the Wallace School of Transport Ltd for a capital receipt upon the grant of planning consent.
- 2.2 That, as a reserve, subject to satisfactory resolution of matters highlighted in the confidential appendix B, in the event that the above offer does not proceed satisfactorily that the alternative two offers as set out in the confidential appendix B paragraph 15 also be approved.
- 2.3 Grant delegated authority to the Operational Director Property and Projects to agree the terms of the transaction in consultation with the Chief Finance Officer.

3.0 DETAIL

- 3.1 The Council is currently the freehold owner of land at Drury Way, Neasden, labelled A outlined in black on the attached plan appendix A. The site is currently used for open parking and storage, but will become surplus to the Council's requirements over the next 12 months.
- 3.2 The site was originally acquired by the Council from British Rail in 1972, as part of a larger 6.4 hectare parcel secured for the development of the St Raphael's housing estate. The site has an area of 4,274 sq. m. and is firmly located within an area designated as industrial land in the Local Development Framework.
- 3.3 The Council's site is bounded to the west and north by surfaced parking for lorries and waste refuse vehicles, Vernon House school to the south and Drury Way road to the east.
- 3.4 The site to the north, marked B on the plan, is owned by 2 private individuals and is leased for 20 years to Veolia at a rent of £260,000 pa from 2007. The site provides 4,469 sq. m. of hard-standing and 450 sq. m. of offices and workshop. Veolia are seeking to sub-let or assign their leasehold interest.
- 3.5 The site to the west, marked C on the plan, is owned by Team Relocations who operate their UK headquarters from this site. Team provide international removal operations for the corporate sector operating on a worldwide basis with a second main headquarters site in Rotterdam. They operate a state of the art warehouse of 11,500 sq. m. and offices of 1,140 sq. m. along with lorry parking on their site. Team Relocations also own Pickford Move Management who also use the site.
- 3.6 The Council's site is accessed from Drury Way – an extremely busy road which is the primary access route to the Wembley Industrial Areas to the west. There is an established full right of vehicular access across the Council's land to the Team site, shown cross hatched on the attached plan. The access is used by HGV vehicles to access the Team site, effectively constraining the usable area of the Council's land to 3,607 sq. m. In addition, there is a 24 inch main gas pipeline running under the access road. In locational terms the council owned site sits adjacent to the Vernon House School, which is to the south.
- 3.7 Historically, the site was used principally as a lorry park and, for many years, as overnight parking for lorries following the introduction in 1986 of the night time lorry ban in London. Following a review of Brent's property assets about 10 years ago, the Council took on direct management of the site collecting income directly from a number of operators who were already operating from the site. About half of the site was used by a skip hire company, with a coach hire operator and other miscellaneous users. This arrangement was time consuming and management intensive with rental arrears being an ongoing problem.

- 3.8 More recently the site has been utilised by Brent's Street-care unit, with Veolia taking on responsibility for day to day management. This is a short term requirement, pending the consolidation of these functions at the new Marsh Road depot.
- 3.9 The site was considered by Brent as a possible location for a new depot site. However, following the acquisition of the Marsh Road Depot, Alperton this is no longer a requirement. Consequently the Drury Way site will not be required as an operational asset after 31st March 2015 and will therefore become surplus to operational requirements.
- 3.10 The options then available to Brent are broadly to revert to letting this site out for ad hoc rental opportunities as from 2015, or alternatively seek a freehold disposal.
- 3.11 Drury Way was placed on the open market and offers were sought on the basis of an exchange of contracts in June 2014 with completion delayed until 1st April 2015. Offers were required to be submitted by 4th April 2014. Seven offers were received which are set out in the confidential Appendix B.
- 3.12 A recommendation has been made to proceed with the Wallace School of Transport as the preferred bidder.

4.0 FINANCIAL IMPLICATIONS

- 4.1 Details of the proposed capital receipt and associated matters arising from the recommendation to this report are set out in the confidential appendix B.
- 4.2 Transaction costs for the proposed disposal are to be covered by the capital receipt arising.
- 4.3 The Council's general policy is that receipts arising from the disposal of land and properties are used to support the overall capital programme. This site is not included within the Council's Capital Disposals Programme and as such the recommendation to dispose would improve the Council's Capital Programme funding position.
- 4.4 There is an existing net revenue rental stream of £65k from the current occupation of the site that will be lost should the recommendation to this report be approved.
- 4.5 Additional uniform business rates income from any new build scheme would arise. It is estimated that about 30% of this additional amount would accrue directly to the Council.
- 4.6 The recommendation for disposal over a potential ongoing rental as open storage land could mean that Brent would be foregoing a net rent which in the future would be in the order of £90,000 pa.

5.0 LEGAL IMPLICATIONS

- 5.1 Under Section 123 of the Local Government Act 1972 the Council has the general power to dispose of properties by way of sale or lease .The essential condition is that the Council obtains the best consideration that is reasonably obtainable unless it is a lease of 7 years or less.
- 5.2 Disposal on the open market either via auctioneer, marketing agent or to a special purchaser by way of private treaty will satisfy the best consideration requirement ensuring the site has been properly exposed to the market through marketing with bids coming in on a competitive basis.

6.0 DIVERSITY IMPLICATIONS

- 6.1 See attached equality analysis.

7.0 STAFFING/ACCOMMODATION IMPLICATIONS

- 7.1 There are no staffing implications.

8.0 BACKGROUND PAPERS

None

9.0 APPENDIX

Appendix A – Site Plan

Appendix B – Outcome of Marketing (Confidential)

Appendix C – Equality Analysis

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Appendix A

Location Plan

