

	<p style="text-align: center;"><b>Executive</b> 20 May 2013</p> <p style="text-align: center;"><b>Report from the Director of Regeneration and Major Projects</b></p>
<p style="text-align: right;">Wards affected: Preston Park</p>	
<p style="text-align: center;"><b>Strathcona Road, Former Day Care Centre – proposed disposal on a subject to planning basis.</b></p>	

**Not for publication ('below the line')**

Appendix 4 of this report is not for publication

**1.0 Summary**

- 1.1 The Council to enter into a subject to planning contract for the disposal of the freehold interest in the former Day Care Centre at Strathcona Road, London HA9 8QR to Howarth Homes Ltd.
- 1.2 Howarth Homes Ltd. propose to redevelop the property to provide 64 Affordable Rented (40 units) /Shared Ownership (24 units) two person/three person and five person flats with parking for 44 cars, this could be subject to change as details are further developed. This proposal has not been to the Council's Major Cases Forum which provides pre-planning application advice on major development proposals.
- 1.3 Contracts will be exchanged with Howarth Homes Ltd. the contract will include provisions that allow Howarth to nominate a preferred purchaser currently Metropolitan Housing Trust following the grant of planning consent for a capital receipt.
- 1.4 The purchaser will employ Howarth Homes Ltd. to then deliver the design and construction phase of the project.

**2.0 Recommendations**

That the Executive approve:

- 2.1 The disposal of the Strathcona Road site on a subject to planning basis to Howarth Homes Ltd. or a preferred purchaser currently Metropolitan Housing Trust for a capital receipt upon the grant of planning consent.
- 2.2 That, as a reserve, in the event that the above offer does not proceed satisfactorily that the offer from Rydon Construction/Catalyst Housing Groups be also approved.
- 2.3 To provide delegated authority for the Assistant Director of Regeneration and Major Projects, Property and Asset Management, to agree the terms of the transaction in conjunction with the Director of Finance and Corporate Services.

### **3.0 Detail**

#### Background

- 3.1 The Strathcona Road site is located at Strathcona Road, London, HA9 8QR off Carlton Avenue East in the Preston Park area of north Wembley. The property is situated between the East Lane Business Park to the south and Preston Park residential area to the north via which the site is accessed.
- 3.2 The property was formerly used as a Day Care Centre and was decommissioned in October/November 2012 following relocation of services to the recently completed John Billam Centre at Kenton which facilitates the provision of a more personalised service. The property is currently vacant and secured by guardians.
- 3.3 The Council owns the freehold interest in the site of approximately 5,200 sq. m. (0.52 ha). The Day Care Centre, comprises 1,381m<sup>2</sup> in a single storey building constructed in the 1970's providing a mixture of classrooms, education rooms, exercise hall, offices, kitchen plus dining hall and WC's with disabled shower. The site includes a small garden to the rear but is mainly surfaced to provide on site circulation and car parking.
- 3.4 The Council has an on going interest in the regeneration of the Strathcona Day Centre site and its impact on the wider environment.

#### Planning Policy.

- 3.5 The site lies within the East Lane Strategic Industrial Location (SIL). Neighbouring sites include the East Lane Business Park and Wembley Commercial Centre. The Eskdale and Loweswater Close housing estate lies to the north.
- 3.6 Brent Planning (Policy CP20) states that the Council will protect Strategic Industrial Locations (SIL) for industrial employment uses characterised by use classes B1(c), B2 and B8 or Sui Generic uses that are closely

related. B1 office space is acceptable in SIL where it is ancillary to industrial or warehouse/distribution uses.

- 3.7 Brent Planning Policy CP23 states that in order to ensure that the continuing needs of Brent's communities are met, existing community and cultural facilities that support community participation and development will be protected, or their loss mitigated where necessary.
- 3.8 The London Plan (Policy 4.4) states The Mayor will work with boroughs to adopt a rigorous approach to industrial land management. He will work with the boroughs to protect Strategic Industrial Locations for continuing industrial and employment use. Where there is surplus industrial land he will work the boroughs to manage its release where it can contribute to strategic and local planning objectives.
- 3.9 Re-use or redevelopment of the site for D1 or for B1(c), B2 or B8 use would be acceptable.
- 3.10 Redevelopment for any other use such as residential would need the agreement of the Mayor for London. It would need to be demonstrated that the land was surplus as an Industrial location and that the site was no longer viable for D1 use which is supported by the relocation of the service to the recently completed John Billam Centre. Redevelopment would need to meet a strategic or local planning objective – such as affordable housing. Policy CP2 of Brent's Core Strategy deals with population and housing growth. Its states that at least 25% of new homes should be family sized (3 bedrooms or more).

#### Comment

- 3.11 The site is currently in D1 use, not Business/Industrial Uses, with access to the north via Carlton Ave East a predominantly residential area with the majority of the SIL itself accessed off East Lane to the south.
- 3.12 Any redevelopment would have to have regard to the neighbouring housing estate to the north fronting Strathcona Road itself and also the established Preston Park area accessed via Carlton Avenue East and would need to meet the relevant standards set out in the London Plan, Local Development Plan and Supplementary Guidance.
- 3.13 Planning advise there could be scope to promote the site for residential development, subject to persuading the Mayor that removing it from the Strategic Industrial Location would not prejudice the SIL itself. In terms of residential massing this would probably limit development to three/four storeys with appropriate acoustic measures etc.
- 3.14 Marketing would have to support the case that alternative D1/Community uses had been targeted and were not considered viable/an attractive proposition compared to residential. Mayoral support is anticipated if a high % (50 %+ ) Affordable Element was included in any proposal, plus an

element of community use but it might be possible to make an off site contribution to cover this element.

### Objective

- 3.15 It is proposed to dispose of the site for a capital receipt in line with the Council's Property and Asset Strategy, which seeks to create savings through property and to achieve a redevelopment of the site that best meets the Council's planning and regeneration policies so as to achieve an optimum redevelopment outcome for the site.
- 3.16 Alternatively the site could be reserved to support the embryonic HRA programme which would give the Council greater control over the form of development at this location, potentially enabling delivery of family housing in accordance with Policy CP2.
- 3.17 However, the economics behind the HRA strategy are uncertain and abandoning a programmed disposal would adversely impact on the Council's capital programme.

### Results from Marketing

- 3.18 Messrs. Savills were appointed to market the property by way of an informal tender process advertising the property on their webpage and issued details of the property, Appendix 1, to 651 contacts on 4<sup>th</sup> February prior to which an advert was placed in the Estates Gazette and also in the Harrow Observer which was repeated on the 14<sup>th</sup> February.
- 3.19 A further 79 enquiries were received following marketing and Savills conducted 21 accompanied viewings during the marketing process and invited best bids, which were received on Friday 15<sup>th</sup> March.
- 3.20 A total of 8 bid submissions were received with unconditional offers ranging from £1,000,100 to £1,934,231 and the subject to planning offers in excess of £2,000,000, Appendix 4 refers.
- 3.21 Bids were jointly assessed and scored by Savills and Property & Asset Management in terms of the proposed use of the site, deliverability of the proposals and financial offer, and assessed on the Bid Assessment Form, Appendix 3, 1<sup>st</sup> stage bid scores are in Appendix 4.
- 3.22 Five bids were discounted from further consideration as they were at an unacceptably low level.

### Shortlisted bids

- 3.23 Three bidders were shortlisted, all of which were subject to planning.
- 3.24 Whilst Howarth Homes Ltd. submitted the best financial offer on the basis of securing a planning consent for 64 homes there were concerns

regarding the proposed mix of units and the proposed density of development and the failure to adequately address the existing right of access along the western boundary. All 64 homes are proposed to be affordable housing developed in partnership with Metropolitan Housing Trust. However this scheme does not provide the proportion of family housing sought by policy CP2 of the Core Strategy and therefore would require amendments to address this issue.

- 3.25 The second highest bidder from Rydon Construction proposed securing a planning consent for 52 homes was not as attractive as the top bid but the proposed mix of units including an element of family sized housing was preferable. There were concerns regarding the failure to adequately address the existing right of access along the western boundary. All 52 homes are proposed to be affordable housing developed in partnership with Catalyst Housing Group.
- 3.26 The third highest bid again conditional on the basis of securing planning consent proposed to convert the premises to provide a 34 room nursing home for the elderly and those with dementia to be operated by an established domiciliary care agency in Brent and would create approximately 25 – 28 jobs. The lead bidder is an industrial distributor of packaging materials and whilst a reputable business there is concern regarding the bidders track record of delivering similar projects.
- 3.27 Following advice from Planning & Highways feedback was provided to the three bidders allowing time for necessary amendments/revisions to their schemes and following further discussions with each three parties, bidders were re-scored, see Appendix 4.

#### Preferred bidder

- 3.28 Based on the assessment we propose to proceed with Howarth Homes Ltd the preferred bidder. And should matters not progress with Howarth, then Rydon be approved as the reserved bidder.

#### Timetable

- 3.29 The following timetable is proposed, which maybe subject to change as details are further developed.

Executive Decision finalised	May 2013
Exchange of Contracts, on a subject to planning basis.	June 2013
Planning for Redevelopment of the site for Affordable Rent & Shared Ownership housing.	December 2013
Mayoral Confirmation of removal of the site from the SIL.	September 2013
Sale Completion	January 2014

## **4.0 Financial Implications**

- 4.1 The property is currently occupied by guardians for security purposes at nil net cost to the Council.
- 4.2 The Council's general policy is that receipts arising from the disposal of land and properties are used to support the overall capital programme. The forecast receipt arising from the Strathcona Road site is included in the Council's Disposals Programme at the time of budget setting and as such does form part of the resources identified to support the whole capital programme.
- 4.3 The preferred bid is in excess of the forecast capital receipt included within the Council's Disposal Programme. If the bid is successful, this will constitute an additional receipt to the funding of the Capital Programme and could reduce the requirement to undertake an equivalent level of unsupported borrowing for a balanced position on the overall Capital Programme. Alternatively, this 'windfall' could be ring fenced to support the delivery of affordable housing and the HRA strategy
- 4.4 Transaction costs for the disposal are to be covered by the capital receipt on disposal. This is estimated to be in the region of 1.5% of the sale price, including legal costs estimated to be in the region of £3,000.

## **5.0 Legal Implications**

- 5.1 Under Section 123 of the Local Government Act 1972 the Council has a general power to dispose of properties including by way of the sale of the freehold or the grant of a lease. The essential condition is that the Council obtains (unless it is a lease for 7 years or less) the best consideration that is reasonably obtainable.
- 5.2 Disposal on the open market either via auctioneer, marketing agent (sealed bids tender) or to a special purchaser by way of private treaty will satisfy the best consideration requirement.

## **6.0 Diversity Implications**

- 6.1 There are no diversity implications.

## **7.0 Staffing/Accommodation Implications (if appropriate)**

- 7.1 There are no staffing implications.

## **8.0 Background Papers**

- 8.1 Report to Adult Social Care Direct Executive 13<sup>th</sup> December 2010 approving disposal of the property.

## **9.0 Appendices**

Appendix 1: Marketing Particulars

Appendix 2: Disposal Plan

Appendix 3: Bid Assessment Form

Appendix 4: Not for publication - Recommendation for the disposal of the Former Strathcona Day Centre

Appendix 5: Equality Analysis

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**Director of Regeneration and Major Projects**

# Community Use or Development Opportunity **Former Strathcona Day Centre**

Strathcona Road, Wembley, HA9 8QR

For Sale



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- 0.52 hectare (1.29 acre) site containing a former day centre (Use Class D1)
- Potential for residential or commercial development subject to the necessary consents or continued community use
- For sale on behalf of the London Borough of Brent
- Freehold with vacant possession

[savills.co.uk](http://savills.co.uk)



## Location

The site is located on Strathcona Road off Carlton Avenue East in the Preston Park area of north Wembley. The property is situated between the commercial area of the East Lane Business Park to the south and the residential area of Preston Park to the north.

South Kenton station is located approximately 550 metres north of the site, providing access to London Overground services and the Bakerloo Line of the London Underground network. Preston Road station is approximately 1.1 kilometres north east of the site, providing access to the Metropolitan line of the London Underground network. The property is also served by the number 223 bus which operates along Carlton Avenue East to the north, providing access to Harrow and Wembley Central.

## Site Description

The site extends to approximately 0.52 hectares (1.29 acres) and is currently occupied by a predominantly single storey day centre and an area of extensive external parking. The property also includes an access road running along the western edge of the existing day centre.

The existing property has an approximate Gross Internal Area of 1,381 sq m (14,864 sq ft) and contains classrooms, offices, activity halls, kitchens and dining facilities.

The site also contains a temporary mobile unit to the rear of the site which will not form part of the sale and is to be removed by the Council.

## Planning

The existing property falls within the D1 Use Class (non-residential institutions).

The property will be sold without the benefit of a planning permission. A planning brief for the site has been prepared by the London Borough of Brent and is available on the data room. Details of how to obtain access to this information are set out below.

## Tenure

The property is for sale freehold with vacant possession.

## Method of Sale

The property will be sold by way of informal tender.

Offers are sought for the freehold interest on an unconditional or subject to planning basis.

## Viewings

By appointment with Savills only.

## Energy Performance Certificates

EPC Rating = C.

The Energy Performance Certificate for the site is available on the data room. Details of how to obtain access to this information is set out below.



## VAT

The site is not elected for VAT.

## Further Information

Further information is available at [www.savills.com/strathconaroad](http://www.savills.com/strathconaroad)

## Important Notice

Savills, their clients and any joint agents give notice that:

1. They have no authority to make or give any representations or warranties in relation to the property. These particulars do not form part of any offer or contract and must not be relied upon as statements or representations of fact.
2. Any areas, measurements or distances are approximate. The text, photographs and plans are for guidance only and are not necessarily comprehensive. It should not be assumed that the property has all necessary planning, building regulation or other consents and Savills have not tested any services, equipment or facilities. Purchasers must satisfy themselves by inspection or otherwise.

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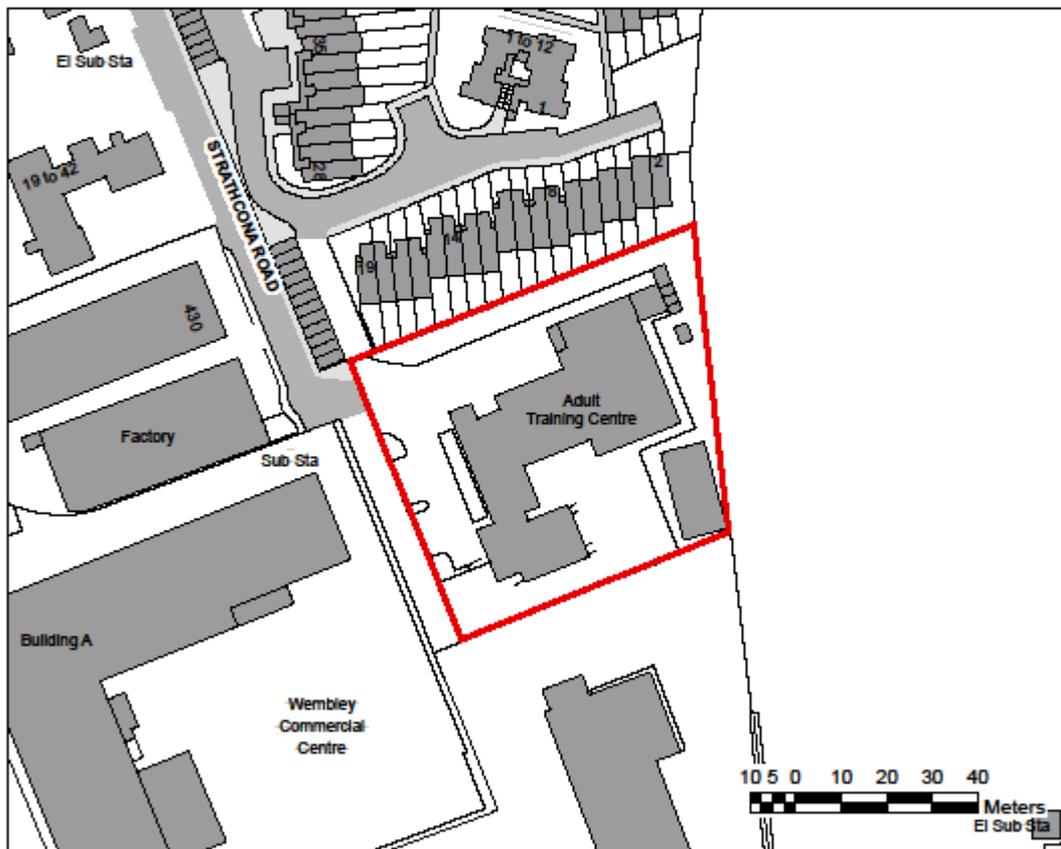
[savills.co.uk](http://savills.co.uk)



Meeting  
Date

Version no.  
Date

# Strathcona Day Centre, Strathcona Road, Wembley, HA9 8XT



Premises shown outlined red.

**1:1,250**

Plan to stated scale if printed at A4.

PSMA OS copyright statement

© Crown copyright and database rights 2012 Ordnance Survey 100025260

OS Open data copyright statement:

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NORTH



## Appendix 3 – Bid Assessment Form

### Application Assessment Form

<b>Applicant's Name</b>	
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#### 1. Financial positioning

Criteria	Yes/No
Individual / Company financial standing, bank reference or proof of funds	
<b>Sub Total</b>	

If 'no' then bid will be removed from process

Scoring Explanation	Score
Very Poor	1
Poor	2
Average	3
Good	4
Very Good	5

#### 2. Proposed use of site

Criteria	Score
Deliverability of proposed scheme and sensitivity to location	
<b>Sub Total</b>	

<b>Total Score out of 5</b>		<b>% Score</b>	
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#### 3. Deliverability

Criteria	Score
Applicants/Professional teams experience, skills and resources of delivering similar projects.	
<b>Sub Total</b>	

<b>Total Score out of 5</b>		<b>% Score</b>	
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#### 4. Financial Offer

Criteria / Ranking	Score
Price (highest bid =highest score)	
<b>Sub Total</b>	

<b>Total Score out of 5</b>		<b>% Score</b>	
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After the initial process, London Borough of Brent reserves the right to introduce additional processes at which stage applicants will be re-scored based on the criteria in this scoring sheet.

#### WEIGHTED SCORE SUMMARY

Assessment Criteria	Base Score	Weighting Multiplier	Weighted Score
1. Proposed use of site		25%	
2. Deliverability		25%	
3. Financial Offer		50%	
		<b>Total</b>	

Assessment Sign off by Brent Council Representative:

Name .....

Date .....

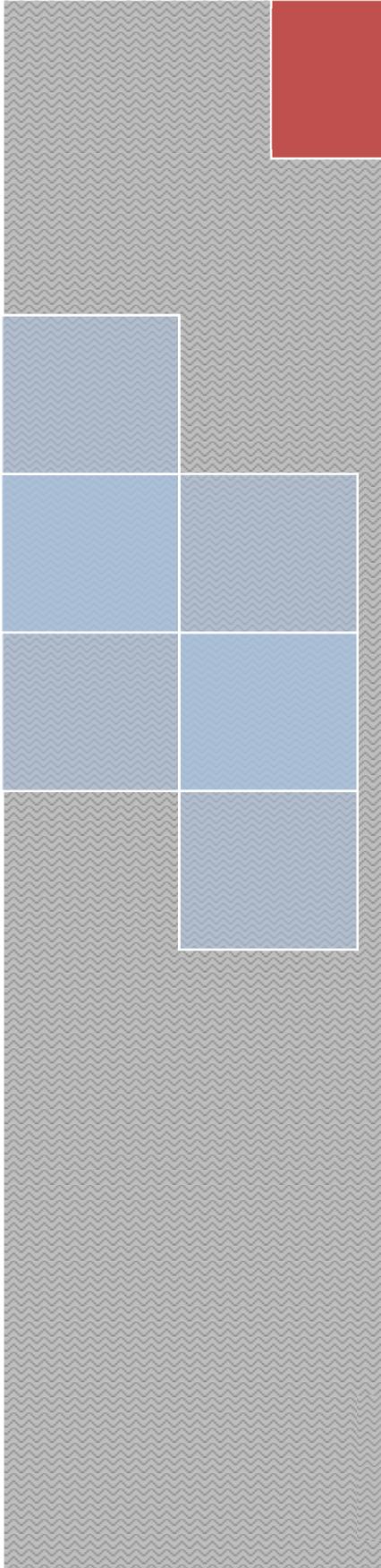
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**Appendix 5 – Equality Analysis**



# Equality Analysis



EASTMAN, FRED  
BRENT COUNCIL



## Brent Council Equality Analysis Form

Please contact the Corporate Diversity team before completing this form. The form is to be used for both predictive Equality Analysis and any reviews of existing policies and practices that may be carried out.

Once you have completed this form, please forward to the Corporate Diversity Team for auditing. Make sure you allow sufficient time for this.

<b>1. Roles and Responsibilities:</b> please refer to stage 1 of the guidance	
<b>Directorate:</b> <b>Regeneration &amp; Major Projects</b>  <b>Service Area:</b> <b>Property &amp; Asset Management</b>	<b>Person Responsible:</b> Name: Fred Eastman Title: Estate surveyor Contact No: 0208 937 4220 Signed: Fred Eastman
<b>Name of policy:</b> <b>This is a transaction for the sale of a surplus Day Care Centre following its replacement by the new John Billam Centre</b>	<b>Date analysis started: 08/04/2013</b>  <b>Completion date: 12/04/13</b>  <b>Review date:</b>
<b>Is the policy:</b>  New <input type="checkbox"/> Old <input checked="" type="checkbox"/>	<b>Auditing Details:</b> Name: Fred Eastman Title: Estate Surveyor Date: 08/04/2013 Contact No: 0208 937 4220 Signed:
<b>Signing Off Manager:</b> responsible for review and monitoring Name: Richard Barratt Title: Assistant Director Regeneration and Major Projects (Property and Asset Management)  Date:	<b>Decision Maker:</b> Name individual /group/meeting/ committee: <b>Executive Committee</b>  Date: 20 <sup>th</sup> May 2013

Meeting  
Date

Version no.  
Date

Contact No: 0208 937 1330

Signed:

**2. Brief description of the policy. Describe the aim and purpose of the policy, what needs or duties is it designed to meet? How does it differ from any existing policy or practice in this area?**

To dispose of surplus Council owned property to obtain a capital receipt to meet the resources forecasts for the Council Capital Programme through a competitive tendering process

**3. Describe how the policy will impact on all of the protected groups:**

The property will be disposed of, subject to Executive Committee's approval, on a subject to planning basis following a high profile marketing campaign by external agents and receipt of informal tenders.

This is an open and transparent method for the sale of property assets and permits all sections of society to purchase the property in an open and transparent way. It ensures that there is no discrimination to any potential bidder and any bidder.

There has been no adverse effect on previous users of the former Day Care Centre, with services provided at the recently constructed John Billam Centre.

**Please give details of the evidence you have used:**

The evidence used to justify this assertion is the results achieved from the marketing of the subject property and previous property transactions.

**4. Describe how the policy will impact on the Council's duty to have due regard to the need to:**

**(a) Eliminate discrimination (including indirect discrimination), harassment and victimisation;**

There are no unmet needs or requirements that can be identified that affect specific groups.

No one from a protected characteristic was prevented from entering a bid for this property

**(b) Advance equality of opportunity;**

This is an open and transparent method for the sale of property assets and permits all sections of society to purchase the property in an open and transparent way.

No one from a protected characteristic was prevented from entering a bid for this property

**(c) Foster good relations**

This is an open and transparent method for the sale of property assets and permits all sections of society to purchase the property in an open and transparent way.

No one from a protected characteristic was prevented from entering a bid for this property .

**5. What engagement activity did you carry out as part of your assessment? Please refer to stage 3 of the guidance.**

Who was consulted on the plan, which protected characteristics were included in consultation?

- i. **Who did you engage with?**
- ii. **What methods did you use?**
- iii. **What did you find out?**
- iv. **How have you used the information gathered?**
- v. **How has it affected your policy?**

No consultation has taken place

**6. Have you have identified a negative impact on any protected group, or identified any unmet needs/requirements that affect specific protected groups? If so, explain what actions you have undertaken, including consideration of any alternative proposals, to lessen or mitigate against this impact.**

This is an open and transparent method for the sale of property assets and permits all sections of society to purchase the property in an open and transparent way.

No negative impacts have been identified

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**Please give details of the evidence you have used:**

--

**7. Analysis summary**

Please tick boxes to summarise the findings of your analysis.

Protected Group	Positive impact	Adverse impact	Neutral
Age			X
Disability			X
Gender re-assignment			X
Marriage and civil partnership			X
Pregnancy and maternity			X
Race			X
Religion or belief			X
Sex			X
Sexual orientation			X

**8. The Findings of your Analysis**  
 Please complete whichever of the following sections is appropriate (one only).  
 Please refer to stage 4 of the guidance.

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**No major change**

*Your analysis demonstrates that:*

- *The policy is lawful*
- *The evidence shows no potential for direct or indirect discrimination*
- *You have taken all appropriate opportunities to advance equality and foster good relations between groups.*

*Please document below the reasons for your conclusion and the information that you used to make this decision.*

The property was advertised by the marketing agents in the specialised property and local press and on the marketing agents and the Council's web-site, which ensured that any interested party was aware of the disposal.

**As this is retrospective we probably make no change but ensure monitoring and review is in place.**

As this method of disposal is open and transparent and anybody is able to bid, there will not be any public concern as to this method of disposal being discriminatory.

**Adjust the policy**

*This may involve making changes to the policy to remove barriers or to better advance equality. It can mean introducing measures to mitigate the potential adverse effect on a particular protected group(s).*

*Remember that it is lawful under the Equality Act to treat people differently in some circumstances, where there is a need for it. It is both lawful and a requirement of the public sector equality duty to consider if there is a need to treat disabled people differently, including more favourable treatment where necessary.*

*If you have identified mitigating measures that would remove a negative impact, please detail those measures below.*

*Please document below the reasons for your conclusion, the information that you used to make this decision and how you plan to adjust the policy.*

Not Applicable

**Continue the policy**

*This means adopting your proposals, despite any adverse effect or missed opportunities to advance equality, provided you have satisfied yourself that it does not amount to unlawfully discrimination, either direct or indirect discrimination.*

*In cases where you believe discrimination is not unlawful because it is objectively justified, it is particularly important that you record what the objective justification is for continuing the policy, and how you reached this decision.*

*Explain the countervailing factors that outweigh any adverse effects on equality as set out above:*

*Please document below the reasons for your conclusion and the information that you used to make this decision:*

*It will not have an adverse impact. It will promote equality of opportunity as it will allow everybody the opportunity to purchase the property in an open and transparent way.*

**Stop and remove the policy**

*If there are adverse effects that are not justified and cannot be mitigated, and if the policy is not justified by countervailing factors, you should consider stopping the policy altogether. If a policy shows unlawful discrimination it must be removed or changed.*

*Please document below the reasons for your conclusion and the information that you used to make this decision.*

Not Applicable

**9. Monitoring and review**

Please provide details of how you intend to monitor the policy in the future. Please refer to stage 7 of the guidance.

I am responsible for monitoring the results of the marketing exercise and with the marketing agent the number of enquiries received regarding the property and types of bids received.