

COMMISSIONERS' INDIVIDUAL DECISION MAKING

Friday, 27 November 2015


Commissioners' Decision Log No. 34

1. **DISPOSAL OF ESTATE ROAD, GLAMIS PLACE, LONDON, E1W (Pages 1 - 26)**

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Agenda Item 1

Individual Commissioner Decision Decision Log No: 034	 TOWER HAMLETS
Report of: Corporate Director, Development & Renewal	Classification: Partially Exempt
Disposal of Estate Road, Glamis Place London E1W	

Is this a Key Decision?	No
Decision Notice Publication Date:	N/A
General Exception or Urgency Notice published?	Not required
Restrictions:	Partially exempt (appendix 2: para 3 – financial affairs)

EXECUTIVE SUMMARY

This report seeks Commissioners' approval to the Council's proposal to dispose of a section of the private residential estate road known as Glamis Place E1 with an area of approximately 390 sq. m. to the estate owners Peabody Housing Association. The estate road serves no purpose to the Council as it cannot be developed in its own right and only holds value to the adjoining estate owner. It is a liability to the Council for maintenance and repair.

The body of this report outlines the reasons for the proposed disposal.

Full details of the decision sought, including setting out the reasons for the recommendations and/or all the options put forward; other options considered; background information; the comments of the Chief Finance Officer; the concurrent report of the Head of Legal Services; implications for One Tower Hamlets; Risk Assessment; Background Documents; and **other relevant matters are set out in the attached report.**

DECISION

The Commissioners are recommended to:

1. Provide written agreement that the Council may dispose of the freehold of the eastern part of the estate road known as Glamis Place E1W (as shown outlined in red on the plan attached as Appendix 1) to the adjoining estate owners, Peabody Housing Association, for the sum of one pound (£1).

2. Note that the sale will be to the freehold owners of the adjoining estate, Peabody Housing Association, a Registered Provider of Housing, via direct negotiation.

APPROVALS

1. (If applicable) Corporate Director proposing the decision or his/her deputy

I approve the attached report and proposed decision above for submission to the Commissioner.

Signed *[Signature]* Date *20/11/2015*

2. Chief Finance Officer or his/her deputy

I have been consulted on the content of the attached report which includes my comments.

Signed *B. Seward* Date *26/11/2015*

3. Monitoring Officer or his/her deputy

I have been consulted on the content of the attached report which includes my comments.

~~(For Key Decision only - delete as applicable)~~

~~I confirm that this decision:-~~

~~(a) has been published in advance on the Council's Forward Plan OR~~

~~(b) is urgent and subject to the 'General Exception' or 'Special Urgency' provision at paragraph 18 or 19 respectively of the Access to Information Procedure Rules.~~

Signed *A. J. Key* Date *26/11/15*

4. Commissioner

I agree the decision proposed in paragraph above for the reasons set out in section 1 in the attached report.

Name *MAX CANNON* Signed *[Signature]*

Date *26/11/15*

Name Signed


Date

Name Signed

Date

Name Signed

Date

Commissioner Decision Report 12 November 2015	 TOWER HAMLETS
Report of: Corporate Director, Development and Renewal	Classification: Partially exempt
Disposal of Estate Road, Glamis Place London E1W	

Originating Officer(s)	Service Head, Corporate Property & Capital Delivery
Wards affected	Shadwell
Key Decision?	No
Community Plan Theme	One Tower Hamlets

Executive Summary

This report seeks Commissioners' approval to the Council's proposal to dispose of a section of the private residential estate road known as Glamis Place E1 with an area of approximately 390 sq. m. to the estate owners Peabody Housing Association. The estate road serves no purpose to the Council as it cannot be developed in its own right and only holds value to the adjoining estate owner. It is a liability to the Council for maintenance and repair.

The body of this report outlines the reasons for the proposed disposal.

Recommendations:

The Commissioners are recommended to:

1. Provide written agreement that the Council may dispose of the freehold of the eastern part of the estate road known as Glamis Place E1W (as shown outlined in red on the plan attached as Appendix 1) to the adjoining estate owners, Peabody Housing Association, for the sum of one pound (£1).
2. Note that the sale will be to the freehold owners of the adjoining estate, Peabody Housing Association, a Registered Provider of Housing, via direct negotiation.

1. REASONS FOR THE DECISIONS

- 1.1 The principle reason for the decision is to enable Peabody to own the entire estate road to enable estate improvements on completion of the sale.
- 1.2 The sale will remove the Council's maintenance responsibility of the private roadway into the future.
- 1.3 Additional reasons are set out in 2 below.

2. ALTERNATIVE OPTIONS

- 2.1 The estate road could remain in the portfolio and would be a long term liability to the Council for maintenance and repair of the roadway, pavement, kerb surfaces, substructure, drains and services, ultimately requiring repair or replacement on a cyclical programme.
- 2.2 Any shortcomings in repairs or maintenance could expose the Council to contingent liabilities and insurance claims for damages caused to pedestrians and vehicles.
- 2.3 The retention of the estate road would prevent the open spaces improvement proposals anticipated by Peabody to the Estate.

3. DETAILS OF REPORT

3.1 Background

- 3.1.1 The subject land comprises the eastern end of the private estate road known as Glamis Place, at its junction with Brodlove Lane, within the London Borough of Tower Hamlets, about 2 miles east of the Wapping, about ½ mile to the south. It is also just north of Rotherhithe Tunnel.
- 3.1.2 The subject land is located within a residential estate comprising social housing and provides both vehicular and pedestrian access between Brodlove Lane and Glamis Road to the west. The surrounding area is chiefly residential and the main housing providers are Peabody Housing, East End Homes and Tower Hamlets Community Housing. Peabody currently manages the adjoining land which is the section of road from Brodlove Lane to the end of the West block.

3.2 Peabody's request to acquire the land

3.2.1 Peabody is now committed to invest significantly on its Shadwell estate on the open spaces and have consulted their residents. A planning application (PA/15/01417 and PA/15/1418) has been approved for the improvements which will include:

- Open green spaces
- Play areas, food growing and gardening areas
- New entrances and boundary improvements
- New underground infrastructure such as water main and drainage
- Tree planting
- New surfacing
- Relocated and increased storage including bike storage
- New waste and recycling points
- New road, footways and parking on Glamis Place.

3.2.2 The Council (Housing) are agreeable for Peabody to proceed with the improvements and will be looking to transfer the land to them in the very near future. The reason for this decision is as follows:

- The land is of no use to Housing.
- Housing will have no responsibility for the design and management of the area once the land has been transferred.
- Tower Hamlets Homes do not manage any stock within this area.
- The land is of no strategic importance to Housing.

3.3 Timescale

3.3.1 Peabody plan to commence works in November 2015.

3.4 Valuation

3.4.1 External consultants Strettons were instructed to undertake a valuation of the piece of land; their valuation report is attached as an exempt appendix to this report. It concluded that:

'The Market Value of the freehold interest in the land with the special assumption that the parcel is to form part of a transfer agreement between the parties for the purpose of enabling estate regeneration at the date of this report and subject to vacant possession is: £1 (One Pound)'

3.5 Recommendation

- 3.5.1 Housing colleagues have confirmed that they are happy to release the land for sale to Peabody for the sum of £1.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 This report seeks Commissioner approval for the disposal of a section of the private residential road – Glamis Place - to the owners of the Shadwell estate, Peabody Housing Association. This will facilitate improvements that are being made to the estate by Peabody.
- 4.2 Due to the constraints of the site and its limited potential alternative uses, the estate road has been independently valued by Strettons as having a notional value of £1. The site does however have a value to Peabody in that acquisition is necessary in order for the estate improvement project to take place, but it is considered that the benefits laid out in the report (paragraphs 3.2.1 and 3.2.2), together with the fact that the properties on the estate are let in perpetuity to applicants from the Council's Common Housing Register, represent additional compensation to the Council.
- 4.3 The site generates no income for the Authority, and savings should result from the ending of the Council's maintenance liability. The Authority should recover the costs that it has incurred in relation to the disposal from Peabody. These should include the costs of the valuation report and development appraisal, as well as all legal costs incurred.

5. LEGAL COMMENTS

- 5.1 The Direction issued by the Minister on 17th December 2014 requires the Council, until 31st March 2017, to "..... *obtain the prior written agreement of the Commissioners **before** [emphasis added] entering into any commitment to dispose of, or otherwise transfer to third parties, any real property other than existing single dwellings for the purposes of residential occupation.*" This report involves the disposal of land as shown in the plan at Appendix 1 and as a disposal, consent is therefore required.
- 5.2 The land proposed to be sold is land held by the Council for housing purposes being part of a road on a housing estate and therefore regard must be had to section 32 of the Housing Act 1985. Section 32 states that a local authority may not dispose of any land held by them without the consent of the Secretary of State. In order to facilitate the disposal of land held for housing purposes the Secretary of State has issued a series of general consents, which permit the disposal of land held for housing purposes without the need to obtain express consent. The consents are collectively known as The General Housing Consents 2013.

- 5.3 In accordance with paragraph A2.2 of the General Housing Consents a disposal includes a conveyance of a freehold interest. Paragraph A3.1.1 of the General Housing Consents provides that a local authority may dispose of land for a consideration equal to its market value. The valuation method is addressed in paragraph 3.4 of the report and which provides that the proposed sale price of one pound (£1) is a consideration equal to the market value of the land. See also the Valuation Report at Appendix 2.
- 5.4 The Council is obliged as a best value authority under section 3 of the Local Government Act 1999 to "make arrangements to secure continuous improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency and effectiveness'. It is considered that obtaining best consideration by market value contributes towards this duty and the fulfilment of this duty is further addressed in paragraph 7 below.
- 5.5 The Council is required when exercising its functions to comply with the duty set out in section 149 of the Equality Act 2010, namely to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity between those who share a protected characteristic and those who do not, and foster good relations between those who share a protected characteristic and those who do not. This is addressed in the One Tower Hamlets Section below.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 On completion of the disposal there will be benefits accruing to the wider neighbourhood as the surrounding residents will have improved use and social interaction of the Peabody scheme.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 Best Value Implications are fully detailed at Appendix 2 the Valuation Report by Strettons Estate Road Glamis Place London E1W 3ES.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 The sale will provide no immediate benefits for the Greener Environment; however, Peabody propose to undertake substantial landscaping with works to provide open green spaces, play, food growing and gardening areas within the scheme.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 As the sale of the road is one pound there is a very low risk of non-completion. Peabody is now committed to deliver their improvement scheme to the residents after public consultation with approved planning consent.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 There are no Crime and Disorder implications for the sale of the land. The Peabody proposals for the land on completion of the sale should improve the neighbourhood with the proposed landscaping, layout, cycle storage & parking management.

11. SAFEGUARDING IMPLICATIONS

11.1 There are no immediate safeguarding implications for this proposal.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- Appendix 1: Site Plan for Estate Road, Glamis Place London E1W
- EXEMPT Appendix 2: Valuation Report, Estate Road, Glamis Place London E1W

Background Documents – Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012

- None

Officer contact details for documents:

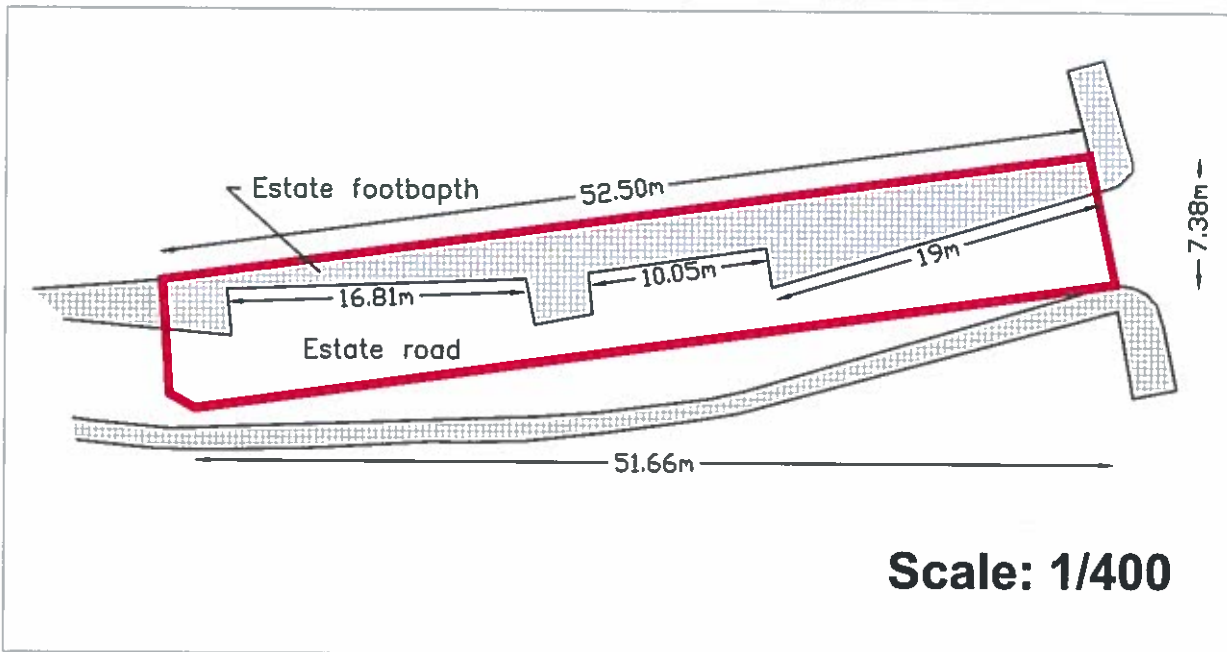
Ann Sutcliffe, Service Head, Corporate Property & Capital Delivery (020 7364 4077)

GLAMIS PLACE LONDON E1

@A4

01-09-2015

lease plan



 Extent of site 390sqm

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ASSET MANAGEMENT

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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