

CABINET

17 January 2017

Title: Acquisition of Land - 200 Becontree Ave, Dagenham	
Report of the Cabinet Member for Finance, Growth and Investment	
Open Report with Exempt Appendix 2 (relevant legislation: paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972 as amended)	For Decision
Wards Affected: Becontree	Key Decision: Yes
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Accountable Strategic Director: Claire Symonds, Chief Operating Officer	
Summary An opportunity has arisen for the Council to acquire land and existing buildings at the former Barking and Becontree Synagogue site, 200 Becontree Avenue, Dagenham. The site has the potential for a residential-led housing scheme in the medium to long term. The Council also owns adjoining property which, in the longer term, could be included in part of a larger regeneration scheme. In the short term the property would be let out to cover holding and borrowing costs.	
Recommendation(s) (i) Approve the purchase of land at 200 Becontree Avenue as shown edged red on the plan at Appendix 1 to the report, on the terms set out in Appendix 2 to the report; (ii) Authorise the Chief Operating Officer, in consultation with the Cabinet Member for Finance, Growth and Investment and the Director of Law and Governance, to enter into all necessary agreements with the United Synagogue Trust and Redbridge Council; (iii) Authorise the Chief Operating Officer to market the site for appropriate short-term letting in order to mitigate holding costs, pending the development of plans for the redevelopment of the site; and (iv) Note that a report shall be presented to Cabinet in due course on the longer-term redevelopment plans.	
Reason(s) To assist the Council in achieving its corporate priorities of 'encouraging civic pride' and 'growing the borough' by acquiring strategic sites within the borough to facilitate development.	

1. Introduction and Background

- 1.1 The site comprises the Barking and Becontree Synagogue which closed in 2014. It is currently surplus to requirements and redundant. The United Synagogue Trust, that own the freehold interest, are now seeking to dispose of the property.
- 1.2 On the site is a single-story brick building dating from the late 1920's with a gross internal area of 4,790sqft. There is external surface car parking. The site has a total area 0.393 acres.
- 1.3 The site was assembled by the Trust in two parts by way of freehold purchases from predecessor parties to the Council. It has the burden of historic restrictive user covenants and a pre-emption clause in favour of the original seller. These are now vested jointly in the Council and the London Borough of Redbridge (LBR).
- 1.4 The Trust initially approached the Council to release the covenants to allow the site to be sold for redevelopment but Council officers were aware of the redevelopment opportunities so initiated discussions with the Trust regarding the direct sale to the Council
- 1.5 Alternatively, if agreement is not reached with the Council on sale, the Trust would look to let the site out to another religious users and hold the property as an investment.

2. Proposal and Issues

- 2.1 The site lies within an established residential area and presents a redevelopment opportunity for a Council-led regeneration scheme. Initial plans prepared by the Council's team suggest that the site could accommodate an 18 unit residential development with a small community space on the ground floor.
- 2.2 The Council also own adjoining property which, in the longer term, could be included in part of a larger regeneration scheme.
- 2.3 Should the Council acquire the site, any redevelopment plans would be subject to further approval in the usual way.
- 2.4 Whilst redevelopment plans are being prepared, the existing buildings could be let on a temporary basis to community based groups. This will have the benefit of keeping the property occupied to avoid antisocial behaviour typically associated with a vacant property, and covering holding and funding costs for the acquisition.
- 2.5 The covenants and pre-emption arrangements under the title were initially for the benefit of the Becontree Estate. Following local government reorganisation, the estate is now split between the Council (who have the majority share by house number) and LBR. Provisional terms have been agreed with LBR to release their claim to the covenants – further details are set out in Appendix 2 which is in the exempt section of the agenda. The release by LBR would be documented at the same time as the purchase from the Trust.

3. Options Appraisal

- 3.1 Should the acquisition not proceed, the existing owner will look to either:
1. Seek to reach agreement with the Council to release the restrictions on the site and sell the property for redevelopment; or
 2. Let the property for the current (religious) use to another faith group and retain the property as an investment.
- 3.2 Under either option the Council will relinquish the opportunity to redevelop the site and immediate control over the use and management of the site.
- 3.3 Assuming that the acquisition does proceed, a full analysis would be conducted as part of the redevelopment options for the site.

4. Consultation

- 4.1 The acquisition has been discussed with the Property Advisory Group. Members for Regeneration and Finance supported the purchase to secure the site for a Council lead regeneration scheme in the medium to long term.
- 4.2 Ward councillors have also been consulted on the proposals.

5. Financial Implications

- 5.1 The detailed financial information, including the total projected capital spend and site valuations provided by independent Chartered Surveyors, is contained in Appendix 2. This information is in the exempt section of the agenda as it is commercially sensitive and the public interest in maintaining the exemption outweighs the public interest in disclosing the information – relevant legislation: paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

6. Legal Implications

Implications completed by: Erol Islek, Senior Property Solicitor

- 6.1 The Council intends to acquire the land at 200 Becontree Ave, Dagenham. In accordance with the Local Government Act 1972, Section 120, a principal council may acquire by agreement any land, whether situated inside or outside their area for the purposes of any of their functions under this or any other enactment or the benefit, improvement, or development of their area. A principal council may acquire by agreement any land for any purpose for which they are authorised by this or any other enactment to acquire land notwithstanding that the land is not immediately required for that purpose; and, until it is required for the purpose for which it was acquired, any land acquired may be used for the purpose of any of the council's functions. The general power of competence under section 1 of the Localism Act 2011 provides the Council with the power to do anything that individuals generally may do. Section 111 of the Local Government Act 1972 enables the Council to do anything which is calculated to facilitate, or is conducive to or incidental to, the discharge of any of its functions, whether or not involving expenditure, borrowing or

lending money, or the acquisition or disposal of any rights or property. It is however vital that a valuation is obtained.

- 6.2 The Council's Constitution, Part 4, Chapter 4 sets out the Land Acquisition and Disposal Rules. In accordance with paragraph 2.1, all strategic decisions about the use, acquisition and disposal of land and property assets is within the remit of the Cabinet. Formulation of strategic decisions is overseen by the Property Advisory Group (PAG) and the Cabinet.

7. Other Implications

- 7.1 **Risk Management** - Vacant sites are vulnerable to the risks of illegal occupation, vandalism and public liability claims. The purchase of the site allows the Council to take control of the site and arrange temporary occupation pending longer term redevelopment. For periods when the property is not occupied following acquisition, the Council will need to ensure appropriate security measures are in place to avoid illegal occupation.
- 7.2 **Contractual Issues** - The proposed transactions will be subject to the due diligence and documentation by the Legal Services Team to ensure compliance with the Council's Contract Rules
- 7.3 **Corporate Policy and Customer Impact** – The purchase allows the Council to control a vacant site and manage the property for the benefit of residents of the borough, both in the short-term for community use and longer term for a Council lead regeneration scheme.
- 7.4 **Safeguarding Children** - The long-term redevelopment of the site for housing will improve conditions for those families in housing need who are housed in them. Residential developments could increase the child population and could have an impact on school places and health resources.
- 7.5 **Health Issues** - Sites which are vacant and overgrown could become a haven for vermin and fly tipping posing health risks to anybody entering the premises as well as any neighbouring developments. By taking ownership, the Council can actively manage any antisocial activities on the site.
- 7.6 **Crime and Disorder Issues** - A vacant site is vulnerable to illegal occupation. Letting the building out on a short-term basis will help prevent antisocial activity occurring on the site.
- 7.7 **Property / Asset Issues** - Acquiring a vacant property will encumber the Council with ongoing costs of maintenance and insurance. These can be mitigated through letting the property out on a temporary basis pending redevelopment in the longer term. The property is currently securely fenced.

Public Background Papers Used in the Preparation of the Report: None

List of appendices:

- **Appendix 1** – Site Plan
- **Appendix 2** - Property Factsheet with aerial photograph (Exempt document)