

Report title: Acquisition of Land at Waterloo

Wards: Bishops

Report Authorised by: Emma Peters, Interim Strategic Director, Sustainable Growth and Opportunity

Portfolio: Cabinet Member for Finance Councillor Andrew Wilson

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Report summary

The Council's strategic priority is to enhance Waterloo's role as one which plays a full part in the central London economy. The Council will promote Waterloo and the South Bank as an international centre for arts and culture; a pre-eminent tourist, leisure, retail and entertainment area; a major location for offices, healthcare and higher education; a mixed residential area with appropriate supporting community, service and shopping facilities; and as one of London's most important transport hubs.

The Council has the opportunity to acquire a site in Waterloo on the terms sets out in Part II of this report which details how the acquisition is in the best interests of the Council.

Finance summary

This report concerns the potential purchase of the land at Waterloo. The land in question is both a short and longer term development opportunity. The exempt part of this report contains further details of the risks and opportunities around the purchase.

Recommendations

To acquire the land as set out in Part II in the accompanying Part II report.

Reasons for Exemption from disclosure

The accompanying part II report is exempt from disclosure by virtue of the following Paragraphs of schedule 12A to the Local Government Act 1972:

3. Information relating to the financial or business affairs of a particular person (including the authority holding that information).

1. Context

The site benefits from a central and strategic location in Waterloo and will help unlock significant regeneration of the area, and bring much needed investment and environmental improvements to the wider area.

2. Proposal and Reasons

The council has an opportunity to acquire a site in Waterloo. The original proposed uses of the site have not come forward as intended and are unlikely to under the existing ownership. Hence the Council has decided to acquire the site, as it provides an investment opportunity that in the short and longer term will be utilised by the Council to support the outcomes of the Borough Plan.

3. Finance

The Council has undertaken initial due diligence (with advice from an external property consultant) to determine the likely residual land value if the potential purchase was on the basis of a redevelopment opportunity. The Council has also reviewed title information to determine the risks on the basis of the purchase being made.

The exempt part of this report identifies the potential costs and income related to those options. If the Council was to decide to make a purchase, funding would need to be in the form of prudential borrowing and the Council would need to be aware of the risk that if rent levels do not cover the borrowing costs, there will be an impact on the Council's wider revenue budget.

4. Legal and Democracy

Section 1 of the Localism Act 2011 gives the council the power to do anything that individuals may do. This includes acting a developer in the acquiring of land.

Section 120 of the Local Government Act 1972 empowers the council to acquire land by agreement for the purpose of any of its functions either under that act or other enactments or for the benefit, improvement or development of its area. This power applies notwithstanding that the land is not immediately required for that purpose.

Section 227 of the Town and Country Planning Act 1990 enables the council to acquire land by agreement where it thinks that the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land, or which is required for a purpose which it is necessary to achieve in the interests of the proper planning of an area in which the land is situated. However, this power should not be used unless the council is of the opinion that the development, redevelopment, or improvement is likely to contribute to the promotion or improvement of the social, economic or environmental well-being of their area,

When officers consider whether to adopt the recommendations of this report, they will be exercising discretion within the constraints of the duties referred to above and should therefore have in mind the following principles of administrative law:

- the decision must be within the Council's powers
- all relevant information and consideration, including the Council's fiduciary duty to the Council Tax payer, must be taken into account
- all irrelevant considerations, including unauthorised purposes, must be ignored

This proposed key decision was entered in the Forward Plan on 7 December 2018 and the necessary 28 clear days' notice has been given. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

The Constitution states that acquisitions of property of over £10 million are delegated to the Cabinet Member for Finance, in consultation with the Leader of the Council.

Consultation

A consultation and engagement process would occur should the site be acquired and the Council sought to redevelop it.

5. Risk management

5.1 A risk register would be drafted following acquisition.

6. Equalities impact assessment

6.1 An EIA questionnaire has been submitted and approved.

7. Community safety

7.1 Not applicable at this stage.

8. Organisational implications

8.1 Environmental

Not applicable at this stage.

8.2 Staffing and accommodation

Not applicable.

8.3 Procurement

Not applicable at this stage.

8.4 Health

Not applicable at this stage.

9. Timetable for implementation

- 9.1 A bid (subject to Council further approvals) will be submitted in early June 2019. If the bid is acceptable, a legal process would commence with exchange of contracts and completion anticipated to take in summer 2019, subject to contract and any further internal approvals required.

Audit trail				
Consultation				
Name/Position	Lambeth directorate/division or partner	Date Sent	Date Received	Comments in section:
Leader of the Council, Councillor Jack Hopkins	Leader	10.6.19	11.06.19	
Cabinet Member for Finance Councillor Andrew Wilson	Cabinet	10.6.19	11.06.19	
Cabinet Member for Planning, Investment and New Homes Councillor Matthew Bennett	Cabinet	10.6.19	Not received	
Interim Strategic Director, Sustainable Growth and Opportunity, Emma Peters	Sustainable Growth & Opportunity	03.05.19	Not received	
Principal Lawyer Housing, Property And Planning, Gregory Carson	Legal and Governance	30.04.2019	01.05.2019	4
Democratic Services, Sam Bailey	Legal and Governance	30.04.2019	01.05.2019	4 & throughout
Assistant Director Finance, Matthew Gaynor	Finance and Investment	26. 4. 19	26.4.19	3
Director of Finance and Property, Hamant Bharadia	Finance and Investment	03.05.19	03.05.19	Minor amends
Director Growth, Planning and Employment, Sandra Roebuck	Sustainable Growth & Opportunity	03.05.19	03.05.19	Minor amends
Owain Jones Head of Area Regeneration, Waterloo & Streatham	Sustainable Growth & Opportunity	26. 4. 19	26.4.19	throughout

Report history	
Original discussion with Cabinet Member	19.11.18
Report deadline	17.6.19
Date final report sent	14.6.19
Report no.	1
Part II Exempt from Disclosure/confidential accompanying report?	Yes
Key decision report	Yes
Date first appeared on forward plan	7 December 2018
Key decision reasons	Expenditure over £500,000
Background information	Waterloo planning documents
Appendices	None.

APPROVAL BY CABINET MEMBER OR OFFICER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have been consulted on this report:

Signature _____ **Date** _____

Post Sophie Linton, Head of Strategic Assets

I approve the above recommendations:

Signature _____ **Date** _____

Post Emma Peters, Interim Strategic Director, Sustainable Growth and Opportunity

I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (if required), and approve the above recommendations:

Signature _____ **Date** _____

Post Cllr Andrew Wilson, Cabinet Member for Finance

Any declarations of interest (or exemptions granted):

Issue

Interest declared