

11 October 2022

Officer Response – for Call-in by Cllr Lee Chamberlain of Decision Kist 17/22-23 - Key Decision 5271, the proposed acquisition of land and buildings on Park Avenue, Potters Bar, EN6 5EW – **PART 1**

These arguments are detailed below:

Reason for call-in
<p>This is not a proper use of public money, public funds are not being spent wisely. The proposed purchase forms part of a gamble by the Council using public money for property speculation. It assumes that planning permission for housing on the larger site will be given by Hertsmere Council. This is most unlikely. The property and land in question is being purchased in the hope that they will be allowed to develop adjoining Green Belt land, something which although is outside the boundaries of London goes against the London Mayor’s policies, Government policy and planning law.</p>
Officer response
<p>The adjoining farmland is designated Green Belt land site and has been promoted by Knight Frank, on behalf of LBE, for a number of years, who have actively engaged with both Hertsmere Borough Council (HBC) and HCC throughout the Local Plan process, meeting regularly with HBC Planning Policy Officers and also with HCC.</p> <p>Following this on-going consultation there is a possibility that this land may be considered for development if the access constraints could be improved.</p> <p>We are not speculating on the rights or wrongs of Green Belt Development but protecting our position by safeguarding our assets to improve the access in the event that the land gets allocated for development, otherwise, we would get ransomed.</p> <p>Land values would rise significantly should the land be granted planning permission or is identified as a potential housing development site in the Local Plan. The subsequent sale receipt can be re-invested or used to reduce borrowing. This far outweighs the downside risk of acquiring the subject property and not achieving a successful outcome.</p> <p>Rental lettings would provide an income in the short term to help cover some of the finance costs. Timescales for a successful planning outcome could be somewhere between 3 to 5 years.</p> <p>Should the initiative fail to get the necessary planning consent or the property is not required for development, it could be re-sold at market value and the downside risks be therefore limited as the initial outlay to purchase would be recuperated from a sale, less any transaction and holding costs.</p>

Reason for call-in

The decision is flawed in that it fails to ensure good value for money. Given the well-known proximity to LBE owned land and need for access, the council has effectively turned this location into a ransom strip. This will cause the inflation of the price for this land. The odds are the Council will pay over the market rate given it's known "need". The decision document fails to recognise this shortcoming and likelihood of the price being artificially inflated. It should be seeking to protect the taxpayer by limiting the spend allowed to no more than the market rate, with no green belt exploitation. The decision notably fails to set any fiscal terms of reference or parameters for the purchase.

Officer response

We are not speculating on the rights or wrongs of Green Belt development, but protecting our position by safeguarding our asset to improve access, in the event it gets allocated for development, otherwise, it would be subject to a ransom value.

The LBE owned land is currently farmland and designated Green Belt currently with no development value (only hope value) and therefore any ransom value is limited. If the farmland were to get allocated for development in the future then the market value expectation of adjacent landowners could go up considerably meaning we would have to contemplate a ransom price but buying now insures us against that risk and means we can always recover the majority of our costs if the site never gets allocated so that the downside risk to us is limited.

We are paying open market value for the subject property and it has not been artificially inflated. See Part 2 Response

Reason for call-in

Development of the Green Belt is wrong both on moral and environmental grounds. Development of the green belt is bad in principle for the residents of Enfield and means removing an irreplaceable resource. The Green belt provides obvious environmental benefits, its retention plays a part in slowing climate change and providing "green lungs" which reduce pollution. The Green belt also provides the green spaces which facilitate recognised opportunities for improving both physical and mental health. Its removal affects all the people of Enfield, not just those living nearby it. Building on the green belt has already caused Hertsmere Council to revoke their local plan.

Officer response

We are not here to speculate on the rights and wrongs of Green Belt Development, but merely to safeguard our position.

We agree with the approach to maximise brownfield sites both with Enfield borough and beyond. However, we also recognise that there is not a sufficient amount of brownfield sites to accommodate the Hertsmere Council's full housing need within

their (withdrawn) plan and as such, other sites are required including Green Belt sites. Hertsmere revoked their Local Plan due to the large number of objections received which covered potential development sites across their whole borough.

Reason for call-in

The Council should focus on delivering the homes in projects it has already identified and it is failing to do so. The Council needs to move forward on land they have already identified and should focus on progressing these to deliver more homes now. The obvious and biggest example being Meridian Water, a project the opposition supports in principle. It is a 13-year-old multi million pound spend project which has done little more than replace the least used railway station in London, with one of most costly stations in outer London. Instead creating more future projects with no likely outcomes, the Administration should focus on delivering homes for people now from brownfield sites it already has various planning permissions and plans in place to progress.

Officer response

The Council is working on other projects within the borough to deliver new homes, such as at Meridian Water. Meridian Water has its own dedicated project team to deliver the specific objectives around Meridian Water which falls outside the scope of this project which is a General Fund site managed by Strategic Property Services. Similarly, there are a number of other projects being managed by the Housing Revenue Account (HRA) which will also deliver new homes. Delivering this project therefore will have no detrimental effect on resourcing to other housing delivery projects being managed by Meridian Water and the HRA.

This subject land falls under the General Fund and is managed by Strategic Property Services (SPS). One of the key drivers for SPS is to identify opportunities for the Council in either maintaining or increasing revenue streams and assets or releasing capital through sale and development of surplus assets, a Core Principle of the Council SAMP. The objective here is to acquire a property that will improve access to LBE owned land and enhance the prospects of future development and secure a significant cash release upon its sale. Other development projects within the borough are progressing independently of what happens here.