

Report to the Council

Committee: Cabinet

Date: 22 February 2011

Subject: Legal and Estates Portfolio

Portfolio Holder: Councillor Lesley Wagland

Item: 6(f)

Recommending:

That the report of the Legal and Estates Portfolio Holder be noted

T11/Langton Road Depot Joint Redevelopment Site

1. The public consultation period for the planning application has now expired and the application, together with any views and objections received are being considered by the Planning Officers. The application will come before the appropriate planning committee bearing in mind the significance of the application.
2. A presentation on the redevelopment proposals was made to a group of Broadway traders on 24 January 2011.
3. Officers from the Estates and Valuation section together with the Council's consultants presented the proposals and answered questions. The evening proved to be very successful with a general consensus of those present that the redevelopment scheme would benefit the local area. The meeting also resolved to jointly market the two retail areas of the Broadway shops and the new retail park as a combined retail destination.
4. Following this The Loughton Broadway Town Centre Partnership at their meeting on 15 February endorsed the redevelopment proposals subject to a number of suggestions on matters of detail.
5. The opportunity of a presentation was offered to Loughton Town Council but this was declined.
6. Since the last meeting I have agreed the appointment of Berwin Leighton Paisner (BLP) as specialist legal advisors to provide external legal advice and assistance to the Council in relation to the joint development agreement with Polofind Ltd. Initial briefing meetings have been held with BLP and their advice is now awaited.

Brooker Road Industrial Estate

7. At the Finance and Performance Review Cabinet Committee on 17 January, Members of the Committee, when looking at the Corporate Support Services Directorate estimates for 2011/12 queried the level of support services allocated to the Brooker Road Industrial Estate and what was included within the figure of £56,170 allocated as part of the accounting treatment of work carried out in relation to the industrial estate.

8. Support Services costs are derived from time allocations of relevant staff.

Valuers and estate surveyors,	£39,938
Legal,	£13,273
Internal audit,	£ 673
CSS Senior management support	£ 1,178
Finance	£ 1,108
Total	£56,170

9. The Brooker Road/Cartersfield Road Industrial Estate consists of 40 properties/plots of land. These are mainly ground leases with a small number of rack rented units

10. The Estate produces an annual income of £206,764 when fully let.

11. In addition to the normal casework a number of unplanned and time consuming matters (illustrated below) had to be dealt with over the last 18 months or so which increased the time allocations.

12. OEP factory and warehouse 7-9 and 40-49 Cartersfield Road

- The company ceased trading and went into administration
- Some time elapsed before receivers were appointed
- This substantial building contained large amounts of flammable material.
- The empty building was targeted and broken into on numerous occasions which posed a health and safety hazard and a significant fire risk.
- Numerous small fires were started in the building.
- The presence of gas canisters within the building added to the risk
- Essex Fire and Rescue Service considered the building posed a serious fire risk which may have resulted in the closure of the M25 motorway had a major incident occurred.
- Counsel's opinion was necessary and obtained, advising the Council on its legal position.
- Accrued arrears of rent of £58,150 and rates of £60,000. totalling £118,150
- Rent arrears of £43,650 recovered so far.
- Remaining arrears of rent and rates will be recovered on assignment of the ground lease to a new long lease holder.
- As part of the negotiations the Receiver has also agreed to reimburse the Council 50% of the cost of emergency works which in total amounted to £5,012.

13. 141 – 144 Brooker Road

- PNG Enfield Ltd the tenant of this large unit ceased trading and went into receivership on 1 June 2009.
- Rent arrears of £37,000 were lost as unrecoverable
- Property repossessed and held vacant pending a decision on the relocation of the Museum Service store from Langston Road Depot.
- Property now divided into three smaller units – 1 let, 1 nearing completion and the third being actively marketed.

14. 148 Brooker Road

- PNG Enfield Ltd., the ground lessee of this plot ceased trading and went into receivership on 1 June 2009.
- Ground Rent arrears of £5,000 were lost as unrecoverable
- Unexpired portion of the ground lease purchased from the receiver.
- The property will now be used to house the Museum Service store to be relocated from Langston Road Depot and the Country Care service from Town Mead Depot.

15. Against the above background, I consider that the circumstances, particularly as set out in paragraph 12 above required an exceptional level of input from support services warranting the figure set out in paragraph 8 above.