

Title	Land at Rear of Boulters Lock Car Park Maidenhead
Contains Confidential or Exempt Information?	No - Part I
Member reporting:	Councillor Jack Rankin, Lead Member for Economic Development and Property
Meeting and Date:	Full Council, 21 February 2017
Responsible Officer(s):	Russell O'Keefe, Strategic Director of Corporate and Community Services
Wards affected:	Maidenhead Riverside



REPORT SUMMARY

1. The Council owned land, to the rear of Boulters Lock car park, Maidenhead, has an area of 0.13 Hectares (0.53 acres) and has not been in use for a number of years.
2. On 17th May 2016 the Council had negotiated (subject to formal approvals and contract) the granting of a 125 year ground lease at a peppercorn to the Hindu Society of Maidenhead, for the sum of £73,000, conditional on their obtaining planning permission for a community centre. Solicitors were instructed to prepare draft contract documentation.
3. In early September 2016, following representations received from various local residents, the Council invited other interested local parties to place their bids for community use.
4. The Hindu Society were informed that the current transaction would be placed on hold and their proposal (or any improved offer they might wish to make) would be considered along side other bids.
5. Only one further proposal was received, by the deadline date, being from the Boulters Riverside Community Interest Company (CIC) to purchase a lease for £101,000 for use as community allotments.
6. The Hindu Society did not vary their proposal.
7. The alternative options of an extension to the existing Council operated car park, or holding the land long term are also set out in this report.
8. Due to the high level of public interest and in the interests of transparency, the Lead Member has recommended that Full Council consider the options presented in this report and decide on how to proceed.

1. DETAILS OF RECOMMENDATION

RECOMMENDATION: That Full Council considers the report and makes a decision being one of the following:

- i) Accept the Hindu Society proposal**
- ii) Accept the Boulters Riverside CIC proposal**
- iii) Extend the car park**
- iii) Do nothing, reject the proposals and continue holding the land.**

2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 2.1 The subject land is owned by the Council and lies to the rear of the Boulters Lock car park, Maidenhead. It has been unused for many years. The site has an area of 0.13 Hectares (0.53 acres) and is shown outlined in red on plan 1.
- 2.2 On 17th May 2016 the Council had negotiated (subject to formal approvals and contract) the granting of a 125 year ground lease at a peppercorn to the Hindu Society of Maidenhead, for the sum of £73,000, conditional on their obtaining planning permission for a community centre. Lawyers were instructed to prepare draft legal transaction documents.
- 2.3 The deal structure gave the Hindu Society a 12 month period from exchange of contracts to obtain planning consent, with a 24 month longstop after which the agreement would expire if consent was not achieved. In certain conditions, as part of the agreement, the Council would have use of the new community building as a polling station.
- 2.4 The premium of £73,000 was based on an independent valuation by Kempton Carr Croft, Chartered Surveyors, for the land for community use only. The deal included a buy back provision for the Council at open market value for community use if the Society ceased to operate it in the future.
- 2.5 On the 30th September 2016 the Hindu Society submitted a planning application. This was not in consultation or agreement with the Council's Property Service. The application was subsequently withdrawn on the 2nd December 2016.
- 2.6 Following representations from various local residents, in early September 2016, the Council invited other interested local parties to express an interest and place their bids, with supporting information regarding their proposed use and their financial capacity, by 20th October 2016. The Hindu Society was informed that the current transaction would be placed on hold and that their proposal (or any improved proposal they might wish to make) would be considered along side other proposals received by the deadline.
- 2.7 Only one further proposal was received, this being from the Boulters Riverside CIC (a newly formed entity of some local residents) to purchase a lease for 125

years at a peppercorn for the premium of £101,000 for use as community allotments. The Hindu Society chose to not vary their proposal within that deadline.

- 2.8 The Boulders CIC bid was also on conditional on planning approval basis for 125 years at a peppercorn rent. There is also a buy back provision in favour of the Council if it wished to develop the land as a car park in the future.
- 2.9 In September 2017 the Car Parking and Property teams at the Council reviewed the possibility of using the land to extend the car park. Income and cost projections were prepared including the capital cost of the car park works. The result was a negative Net Present Value figure of -£139,355. This reinforced the view that extending the car park was not a viable option. The detail is shown in appendix C.

2.10 Table 1: The three options.

Option	Comments
Grant a lease to the Hindu Society of Maidenhead for £73,000 , subject to obtaining planning consent to construct a community building.	The proposal is subject to planning consent. Council receives £73,000
Grant a lease to Boulders Riverside CIC, subject to obtaining planning consent for Allotments.	This transaction is subject to planning consent. Council receives £101,000
Extend the car park	The result would be a negative Net Present Value figure of -£139,355 and is not considered a viable option.
Do nothing and retain the land	The Council can look at uses for the land, in the years to come.

3. KEY IMPLICATIONS

- 3.1 The sale of the land on a long leasehold, on either proposal, would result in a capital receipt for the Council, and enable a community group to achieve some of their objectives.

3.2 Table 2: Implications of both bids.

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
Hindu Society bid is selected	Building does not get planning consent or	Building does get constructed and Hindu	Hindu Community Group engages	Hindu Community offer shared services to	31 st March 2019

for acceptance by Full Council	subsequently does not get constructed	Society utilise it.	with use for the wider community on hiring out basis	wider local community	
Boulters Riverside CIC bid is selected for acceptance by Full Council	Building does not get planning consent or subsequently does not get constructed	Allotments are developed	CIC engages with wider local community offering produce for sale, for example	CIC offers open days and other participating events for wider local community	31 st March 2019
Extend the car park option is selected by Full Council	Extension is not delivered	Extension is delivered	N/A	N/A	31 st March 2018

4. FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 A grant of a long lease to either party will result in a capital receipt at the offer amount, being £73,000 in the case of the Hindu Society and £101,000 in the case of Boulters Riverside CIC, but in both cases only if and when planning consent is obtained.
- 4.2 To extend the car park would result in a negative Net Present Value figure of - £139,355.

5. LEGAL IMPLICATIONS

- 5.1 The Council has a duty to efficiently manage its assets and has legal powers to hold and dispose of land under both sections 120 and 123 of the Local Government Act 1972.

6. RISK MANAGEMENT

6.1

Risks	Uncontrolled Risk	Controls	Controlled Risk
Legal challenge by unsuccessful party	Medium	The two proposals are being considered at Full Council openly in Part 1.	Low

Risks	Uncontrolled Risk	Controls	Controlled Risk
The chosen bidder does not obtain Planning Consent	Medium	Either proposal will be subject to the full Planning process.	Medium
The chosen bidder fails to undertake their proposed development plans	Medium	The Council will seek for the legal documentation to include obligations for the accepted bidder to complete the proposals	Low

7. POTENTIAL IMPACTS

- 7.1 An Equality Impact Assessment Initial Screening has been undertaken and concludes that these proposals will not unlawfully discriminate against any group or individual, or provide the grounds for such discrimination.

8. CONSULTATION

- 8.1 Consultation has taken place with the appropriate officers and members.

9. TIMETABLE FOR IMPLEMENTATION

- 9.1 Following a decision by Full Council, if applicable, lawyers will be instructed to prepare legal documentation with a view to exchange of contracts on a conditional on planning basis by 18th April 2017.
- 9.2 The successful party would be expected to submit their proposed project timescale, with key indicative milestones in due course.

10. APPENDICES

Appendix A – Site Plan 1.
Appendix B – Site photographs, 'Boulter's Lock Car Park'.
Appendix C – Car Park Extension Financials

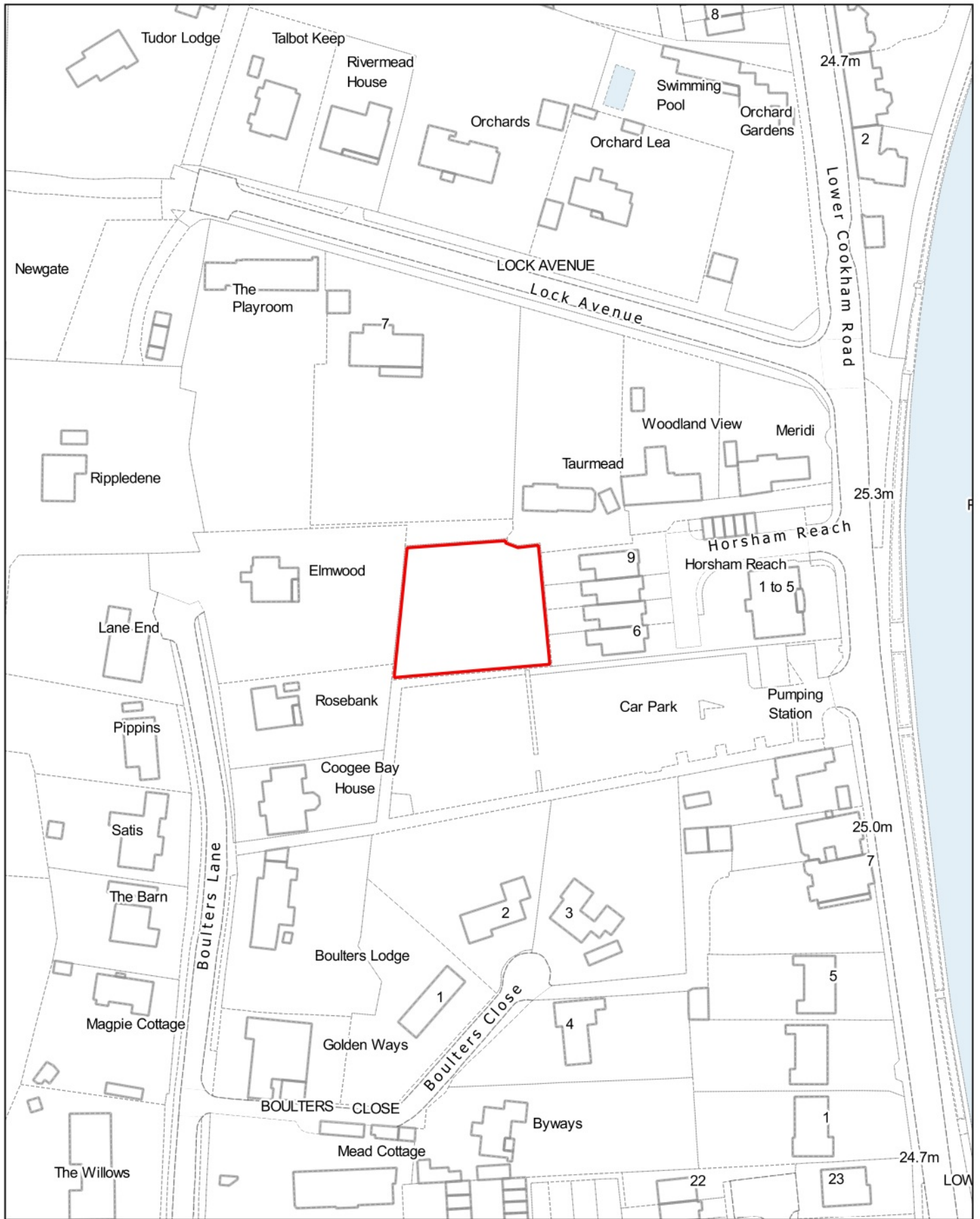
11. BACKGROUND DOCUMENTS

- 11.1 None

12. CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Commented & returned
Councillor Rankin	Lead Member for Economic Development and Property	10/2/2017	10/2/2017
Alison Alexander	Managing Director	9/2/2017	10/2/2017
Russell O'Keefe	Strategic Director, Corporate and Community Services	9/2/2017	10/2/2017
Andy Jeffs	Interim Strategic Director of Operations and Customer Services	9/2/2017	
Rob Stubbs	Head of Finance	9/2/2017	
David Scott	Head of Governance, Partnerships, Performance and Policy (Monitoring Officer)	9/2/2017	9/2/2017

Report Author: Rob Large, Property Service Lead, telephone 07500 051218

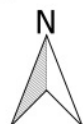


Plan 1
 Land at rear of
 Boulter's Lock (overflow)
 car park
 Lower Cookham Road
 Area = 1132 sqm

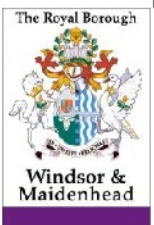
Royal Borough Of Windsor and Maidenhead

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Boulters Lock Car Park



Entrance of the Car Park from the road



Open space adjoining the rear of the car park and to the north

Boulters Lock CP extension

Economic model

	1	2	3	4	5	6	7	8	9	10
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	£	£	£	£	£	£	£	£	£	£
Construction - civils (incl 20% contingency)	204,000									
Electrics, legal, planning, QS fees	35,000									
Other costs										
Car park running costs	1,283	1,710	1,741	1,772	1,804	1,837	1,870	1,903	1,938	1,973
A - TOTAL COSTS	240,283	1,710	1,741	1,772	1,804	1,837	1,870	1,903	1,938	1,973
Car park gross income	- 3,665	- 4,886	- 4,974	- 5,064	- 5,155	- 5,248	- 5,342	- 5,438	- 5,536	- 5,636
Other net income										
B - TOTAL NET INCOME	(3,665)	(4,886)	(4,974)	(5,064)	(5,155)	(5,248)	(5,342)	(5,438)	(5,536)	(5,636)
B - A Net Position	£236,618	(3,176)	(3,233)	(3,292)	(3,351)	(3,411)	(3,472)	(3,535)	(3,599)	(3,663)
Interest		5,067	5,067	5,067	5,067	5,067	5,067	5,067	5,067	5,067
MRP		4,780	4,780	4,780	4,780	4,780	4,780	4,780	4,780	4,780
Cumulative	£236,618	£6,671	£6,613	£6,555	£6,496	£6,436	£6,374	£6,312	£6,248	£6,183

Income calc	101.8%	STRAIGHT								
Current (87 spaces)	11,700									
Proposed extn (36 spaces)	4800									
Yr 1 - 9 mths income & cost (3 mth build)	3600	3600	4800	4800	4800	4800	4800	4800	4800	4800
inflation 1.8% in MTFP 17/18 & beyond	1.8%									
Apply to Costs & Income										
Assume occuoancy levels maintained, so can pro rata income from current spces										
Assume op costs @35% of income	1680									
total cap cost	239,000									

Discount Rate

PWLB 50 year certainty rate	
principal repaid on maturity @ 04-10-16	2.12%
MRP	2.00%
Discount Rate	4.12%

NPV= **-£139,355** In general a project with a negative NPV results in a net loss/does not add value

IRR= 0.14% IRR of this project is lower than the cost of borrowing to fund this project