



LEE VALLEY REGIONAL PARK AUTHORITY
AUTHORITY MEETING
19 JANUARY 2017 AT 14:00

Agenda Item No:

8

Report No:

A/4237/17

DRAFT CORPORATE LAND AND PROPERTY STRATEGY

Presented by the Director of Corporate Services

SUMMARY

Following a number of separate acquisitions the Land & Property Review Working Group was established at the Executive Committee meeting on 17 December 2015. The aim of the Working Group was to review the Authority's approach to acquisition and disposal and with the intention of adopting a Land and Property Strategy. The intention was to provide a more strategic framework broadly based on how the Authority has been operating to-date with regard to acquisition and disposal together with an opportunity to look at areas of land that are no longer delivering benefit for the Authority in fulfilling its statutory purpose within the Regional Park. The Land & Property Review Working Group together with the officer group has met on a number of occasions throughout the year and has also undertaken a visit to a number of sites. This report provides an overview of its work to date and puts forward a draft Corporate Land and Property Strategy which was approved by Executive Committee on 15 December 2016 (paper E/474/16) with a recommendation to the Authority to adopt the proposed draft Corporate Land and Property Strategy.

RECOMMENDATION

Members approve: (1) the proposed Corporate Land and Property Strategy attached as Appendix A to this report.

BACKGROUND

- 1 The terms of reference for the Land & Property Review Working Group (Working Group) were approved as follows:
 - To review the land and property portfolio in support of delivery of the Authority's statutory remit and overall objectives
 - To review adopted land acquisition policies
 - Develop a land and property acquisition/disposal strategy within the parameters of the Lee Valley Regional Park Act 1966 (the Park Act)
- 2 The aim of the Working Group was to review the Authority's approach to acquisition and disposal and to consider a new approach with the development of a Corporate Land and Property Strategy. In addition to the above and the

need to consider raising capital, it is an opportunity to look at sites which are not delivering benefit for the Regional Park. The disposal of properties may also reduce revenue costs as maintenance obligations for some areas of land would be reduced. On the other side acquisition of land in most cases would increase revenue costs for the maintenance and management of the land.

- 3 The Authority has generally adopted a safe and traditional approach for any disposals based on Counsel's opinion that has been received over time and independent advice has been taken prior to any disposal of land. More recent advice has explored a more flexible approach, in particular, to disposal. This has the potential for raising capital from disposal for enabling development and/or opportunity for enhancement of existing open space and/or opening of currently closed land within the Regional Park.

LEE VALLEY REGIONAL PARK ACT 1966 (THE PARK ACT)

- 4 Section 12(1) *It shall be the duty of the Authority to develop, improve, preserve and manage or to procure or arrange for the development, improvement, preservation and management of the park as a place for the occupation of leisure, recreation, sport, games or amusements or any similar activity, for the provision of nature reserves and for the provision and enjoyment of entertainments of any kind.*

"the park" is the Lee Valley Regional Park as definedby the Park Act.

- 5 Section 14(1) requires the Authority to prepare a plan following consultation with local authorities and statutory bodies showing proposals for future use and development of the Regional Park. The Authority has its adopted Park Plan 2000 which is being reviewed through the Park Development Framework (PDF). All these documents are read together and form a suite of documents for the purposes of the section 14 Park Plan.
- 6 The PDF included a Sustainability Appraisal (SA) as part of its methodology from the outset. This was used as it is broader than a Strategic Environmental Assessment which has a focus on impacts on the natural environment. A SA accounts for the Regional Park's location in an urban context.
- 7 The Authority has powers under section 15 of the Park Act to **acquire land***"whether within or without the park, which they may require for the purpose of or in connection with any of their functions".* and

under section 21(1)(a) to **dispose of land***"the Authority may sell any land for the time being belonging to or held by them which is not required for the purposes of any of their functions".*

- 8 It should be noted that Local Authorities already have broad powers and flexibility for both acquisition and disposal and a remit that encompasses development for housing together with the Government agenda to support and empower local authorities to dispose of assets that could be made surplus and put to more productive use. Whilst the Authority's remit and powers are different, the Authority is still empowered to make decisions to both acquire and dispose of land for the purposes of its statutory duty under section 12 of the Park Act.

THE AUTHORITY'S ESTATE

- 9 The Authority's estate comprises circa 1,760 hectares (4,350 acres) out of the 4,000 hectares (10,000 acres) Regional Park. It comprises a diversity of landscapes rich in biodiversity and includes 14 venues managed by the leisure trust, Lee Valley Leisure Trust Limited, trading as Vibrant Partnerships (the Trust).
- 10 Much of this land is constrained by a range of factors which can be summarised under 4 headings:
 - its location is in the flood plain of the River Lea;
 - land law – a series of covenants which seek to restrict the purposes for which land can be used;
 - planning designations, principally Green Belt and Metropolitan Open Land; and
 - biodiversity and ecological values - the Regional Park contains 8 Sites of Special Scientific Interest (SSSI), falls within a Special Protection Area, is recognised under the Ramsar Convention and is covered by other local designations.
- 11 Development of the Authority's estate has been determined largely by expediency, reflecting opportunities and threats to its role in specific projects over the last 50 years. It should be noted that the Authority has added to its estate by acquisition circa 283 hectares (700 acres) from 2000 to 2016.

THE IMPORTANCE OF LAND AND PROPERTY TO THE REGIONAL PARK

- 12 Land and property support the Regional Park by providing operational assets which contribute to delivery of its statutory objectives of providing regeneration opportunities. It is not a requirement of the Park Act that the Authority needs to own land to fulfil its statutory duties, but it puts it in a stronger strategic position as custodian of the Regional Park. Land ownership is considered to be more important to the Authority than a National Park due to the fact that the Authority has limited planning powers. This being the case ownership is the ultimate control of uses of land within the Regional Park, which the Authority has a duty to "improve and preserve".
- 13 The Authority's adopted Park Plan (2000) identifies a series of strategic policies designed to protect the 'land resource' of the Regional Park for Park purposes. These include Policies L1-4. Essentially they seek to maintain and protect the openness of the Regional Park, safeguard the whole land resource and ensure that land is used in a manner 'that will best achieve the purpose of the Regional Park'. Other policies flow directly from this including the detailed adopted area proposals and those now adopted in the PDF.
- 14 The Authority's property portfolio should where possible contribute to income opportunity from investment and therefore potentially reduce demands on the council tax payer via the levy.
- 15 It is considered timely in the current economic climate within the public sector for the Authority to consider its land and property portfolio. This is consistent with the approach of other public bodies who themselves are receiving less funding. Whilst the Authority has powers to levy the contributing authorities the pressure

on public funds is understood and the Authority as a responsible public body is considering a Land and Property Strategy which will enable it to invest in development within the Regional Park, but it is also reasonable for it to consider a reduction to the levy from the contributing authorities.

CURRENT POSITION ON ACQUISITION AND DISPOSAL

- 16 Land/property has been acquired over a considerable period of time and for a variety of reasons. Following its creation under the Park Act the Authority inherited or was gifted land/property from the local authorities of Essex, Hertfordshire and London, who together promoted the Park Act in order to protect the green lung and create the Regional Park.
- 17 The Authority has then itself continued to purchase land over its 50 year history for a number of reasons, such as responding to threat or opportunity, often to secure public access or provide facilities for the public, or to protect the land from other non-Park Act compliant uses. It should be noted that as the Authority is not a Local Planning Authority the most effective way of protecting land from other uses is to acquire it. The prime role has always been for public enjoyment of the Regional Park as a whole and with the statutory remit of the Authority in the forefront securing natural heritage, environmental protection or for an operational need.
- 18 The Authority has also occasionally disposed of land where it has reached the decision that it is no longer required for Regional Park purposes or under threat of a compulsory purchase order. Due to the size of its estate there have also been rare occasions where the Authority has lost land through adverse possession.
- 19 There has been no consistent strategy for acquisition or disposal although there have been a couple of long-term policies which still exist to acquire land in particular areas. In these cases the Authority has often acquired disjointed small plots associated in the area which make no contribution to the current Business Plan objectives, but in the hope that a long-term aspiration under its PDF will be realised.
- 20 It should be noted that it is not a requirement of the Park Act that there is a strategy for acquisition or disposal. Authority Members must always take decisions under section 21 which take into account the circumstances and all relevant information available to Members at the time. Due regard should be given to the strategy which will be a helpful tool in understanding the Authority's intention and direction of travel, but it will not be a blanket policy and discretion should always continue to be exercised in the decision making process.

ADOPTED LAND ACQUISITION POLICIES

- 21 The Working Group was asked to consider any adopted land acquisition policies and have established that there have been two policies which relate to acquisition of land in the Wharf Road and Carthagen area. Both these areas of land have been reviewed and the Working Group considered these in the context of what plots have been purchased by the Authority so far and what remains to be acquired and whether the Authority should continue to purchase these areas of land in the future. The Working Group has asked officers to carry out some further work in relation to the Carthagen area and Wharf Road and this will be brought back in a separate report for consideration by the Executive

Committee.

PROGRESS OF THE LAND AND PROPERTY REVIEW WORKING GROUP

- 22 The Working Group has met on a number of occasions throughout the year and during this time has reviewed the land/property work already undertaken by officers covering the whole of the Regional Park, including the aspirational areas identified for potential acquisition as well as those areas identified for potential disposal. Members have also considered a summary of recent Counsel advice which was given verbally in a conference session in Autumn 2015 which is referred to later in this report.
- 23 The Working Group has reviewed land purchases over the last 10-15 years and considered the historic acquisition policies for Wharf Road and the Carthagena estate and those findings relating to the existing policies are set out later in this report.
- 24 The Working Group then reviewed in detail the potential areas of land not required for Regional Park purposes and undertook a site visit covering those areas of land that were less familiar to ensure they had a good understanding on the ground of the sites in question and the relationship with the surrounding area within the Regional Park.
- 25 Overall the Working Group has reviewed the Authority's approach to acquisition and disposal to consider a fresh approach with the development of a proposed Corporate Land and Property Strategy. The purpose and aims of the proposed strategy are set out below.

DEVELOPING A CORPORATE LAND AND PROPERTY STRATEGY

Purpose of a Corporate Land and Property Strategy

- 26 A Corporate Land and Property Strategy is required for the following reasons:
 - for the Authority to manage and develop its estate in the optimum manner;
 - to ensure the Authority can continue to deliver and enhance a financially viable Regional Park for the future;
 - to enable the Authority to open up more of the Regional Park for public access;
 - for the active management of land holdings to enable sustainable usage;
 - to identify land which is no longer required for Regional Park purposes which will then provide for:
 - new development leading to investment to enhance the Regional Park;
 - acquisition (where appropriate) of parcels of land which are considered to be strategically important.

Aims of a Corporate Land and Property Strategy

- 27 The new Corporate Land and Property Strategy will enable transformation of the

Regional Park so that by 2027 it will:

- rationalise the Authority's estate for re-investment in development/improvement in other areas of the Regional Park to ensure sufficient resources for a sustainable Regional Park;
 - maximise revenue received from property assets within the context of delivering the primary statutory functions;
 - increase the number of hectares of open space that is accessible by the public over the next 10 years in line with the disposal timeline (see paragraph 29) as these improvements will require funding by disposals.
- 28 The Authority currently controls 1,760 hectares (4,350 acres) which are largely open to the public and it is the intention to increase the area open to public access subject to available resources to accommodate the aspiration of the Authority to increase visitor numbers to 7m by 2018.
- 29 Income from property is currently circa £1.3m per annum. The Authority will aim to continue to increase income in the next 10 years. Examples of potential income opportunities are:
- car park charging;
 - concessionary catering; and
 - unused buildings/areas of land.
- 30 The Working Group has identified broadly areas of land for potential disposal which could be considered as land not required for Regional Park purposes as it does not contribute financially and/or has limited or no legitimate public access. It is recognised that the majority of this land falls within Green Belt or Metropolitan Open Land designations. To secure disposal for non-Regional Park related development will require negotiation with local planning authorities and representation through the Local Plan process. This will take time and will depend on the progress of each authority's local plan, their willingness to accept the Authority's case and the approach of the Planning Inspectorate to agree to the release of land from these designations. We will aim to dispose of these parcels of land over the next 10 years when market conditions are appropriate to ensure best capital receipt or revenue income depending on the individual circumstances at the time. These capital receipts and/or revenue income could then be used to enable the development of built facilities and/or develop areas of the Regional Park that may have limited current use and/or be closed to the public.
- 31 The Working Group has identified areas of land for potential acquisition (where the opportunity arises) within the Regional Park where they will enhance/benefit the Regional Park. These fall within 2 categories:
- Priority 1 (290ha (714 acres)) where purchase is important in furtherance of the Authority statutory purpose and business objectives; and
 - Priority 2 (540ha (1,337 acres)) where land is less important but desirable if sufficient funding were available.
- 32 Other sites within the Regional Park remain undesignated but were considered

relatively protected as owned by partner organisations who are committed to similar aims and purpose.

- 33 The Authority will aim to acquire as many of these Priority 1 acquisitions if an opportunity arises for purchase and where practicable over the next 10 years subject to available resources at the time and utilise capital receipts acquired from the disposal of land above.

Major investment decisions of private owners on land adjacent to or within the Regional Park

- 34 The consequences of new investment by third parties in land adjacent or within the Regional Park may require a review of how the Authority should use its land and assets on sites which may be immediately affected. In certain circumstances it may be prudent for the Authority to respond to such changes.

ADVICE ON INTERPRETATION OF THE PARK ACT IN DEVELOPING A CORPORATE LAND AND PROPERTY STRATEGY

- 35 The Authority has generally adopted a safe and traditional approach for any disposals based on Counsel's opinion (in relation to interpretation of the Park Act) that has been received over time.
- 36 A conference with two leading Counsel was attended by the Chairman, Vice Chairman and senior officers in late September 2015 to explore interpretation of the Park Act and consider again advice previously received in relation to land disposal in particular. There have also been a couple of separate conference sessions with Counsel on the planning position and our current Park Plan position which is considered later in this report. It should be noted that the advice from Counsel on these areas to date has been verbal and quite general. We would need to obtain written legal advice as necessary when we wish to look at specific areas of land. As set out in other parts of the report each decision of the Authority on disposal would at the time it was taken consider the individual areas of land and the circumstances at the time of the decision.
- 37 Recent written advice in relation to disposal suggests there can be a degree of flexibility in the interpretation of section 21 which is a departure from previous advice. Counsel considers that the Authority could dispose of land not required for one of its functions to fund future development of other areas or parts of the Regional Park and/or to achieve environmental enhancements within the Regional Park. It is also possible that a disposal could in some circumstances generate an income. This is most likely in a long lease situation for commercial or industrial uses, as is currently the case of the Odeon Cinema at Picketts Lock or Three Mills Studio, where the Authority receives a rental income stream from a commercial lease arrangement.
- 38 Counsel was also asked to consider the wording of the draft Corporate Land and Property Strategy and if he wished to propose any amendments. Counsel approved the draft Strategy in its current form.

PLANNING CONTEXT

- 38 The Authority has a planning role which comprises two distinct functions. The first is that of statutory consultee and the second is its duty to prepare a plan of proposals for the development and management of the Regional Park. The

adopted proposals included in the Park Plan (2000) and the PDF were written within the scope of section 12 of the Park Act.

- 39 As referred at paragraph 10 of this report almost all of the sites identified by the Working Group are designated as Metropolitan Open Land or Green Belt. Where the riparian boroughs are undertaking reviews of their local plan or looking for areas of land through the 'call for sites' process then there is an opportunity for the Authority to respond in relation to the sites that it has identified for potential disposal.
- 40 The Authority has proposals for all areas of land within the Regional Park and has adopted a number of detailed proposals as part of its PDF process between East India Dock Basin and the M25 motorway. Those area proposals that remain in draft form for areas to the north of the M25 can be re-considered by the PDF Panel in light of adoption of this strategy.

Implications for the Authority's Park Development Framework and role as a statutory planning consultee

- 41 If the strategy is adopted, there will be a need for a review of the Authority's adopted strategic policies and its adopted and emerging area proposals in the PDF. Work has already been commissioned to review the Authority's adopted strategic policies within the Park Plan to accommodate the implications of this strategy. This review will be accompanied by a SA which will include a Strategic Environmental Assessment in line with the Town and Country Planning (Environmental Assessment) Regulations 2004. Counsel considers that sites identified for full or part disposal could be included in Area Proposals.
- 42 Applications for planning permission for non-Park related development submitted on land identified as Green Belt or Metropolitan Open Land may still have to include an Environmental Impact Assessment or Phase 1 ecological survey. If the Authority is seeking de-designation as part of the local plan review process sites would be included by the local planning authority in its sustainability assessment.
- 43 The absence of an up to date PDF does not prevent the Authority making decisions relating to land whether by way of disposal or acquisition as these will be taken based on the facts and circumstances at the time of the decision and will take into account the Authority's planning position and the current status of the PDF in relation to any particular area. Work should commence on revised area proposals as soon as possible which will then complete the Authority's amended proposals for areas within the Regional Park and form part of the section 14 Park Plan.

CORPORATE LAND AND PROPERTY STRATEGY 2017 TO 2027

- 44 Taking into account all of the above the Executive Committee has considered the draft Corporate Land and Property Strategy which is set out in Appendix A to this report. The draft strategy sets out clearly the reasons why the Authority will retain a property portfolio and where acquisition and disposal will be considered. If the strategy is adopted by Authority then it is recommended that the Working Group continues to oversee the implementation work but all decisions relating to either acquisition or disposal will be taken by the Executive Committee or the Authority as appropriate.

- 45 Work has been carried out on a Corporate Asset Management Plan (CAMP) and it is important to link the Corporate Land and Property Strategy to that Plan which is connected more directly to the business objectives. The intention is for the Working Group to review the CAMP updating as necessary to ensure it flows from the adopted strategy with a separate report then returning to the Executive Committee proposing adoption of the CAMP.

ENVIRONMENTAL IMPLICATIONS

- 46 The adoption of the strategy will potentially have important environmental considerations for defined areas of the Regional Park. These will be assessed when decisions on the future of specific sites are considered.

FINANCIAL IMPLICATIONS

- 47 There are no financial implications arising directly from the recommendations in this report. The Authority has just retained consultants to review the strategic policies of the PDF at a cost of £75,000. Depending on the size and scale of specific sites released for development the Authority may have to engage consultants to advise on highway and environmental matters which will be required to support applications for outline planning permission required in advance of any disposal. Resources for work pertaining to land disposal should be set against any potential land sale receipt.

HUMAN RESOURCE IMPLICATIONS

- 48 There are no human resource implications arising directly from the recommendations in this report.

LEGAL IMPLICATIONS

- 49 These are dealt with in the body of the report.

RISK MANAGEMENT IMPLICATIONS

- 50 The Authority shifting its position on the potential development of residential housing or other development for non-Park purposes within the Regional Park from its current position needs to be balanced throughout the whole of the Regional Park and not just relate to areas of land that are within the Authority's ownership. As set out above a fresh look at the proposals under the PDF will be required to establish the Authority's revised position. Failure to address these issues in a reasonable timeframe may have an impact on the Authority's reputation and/or credibility in the planning process going forward. This does not prevent the Authority taking certain strategic decisions if it needs to do so ahead of completing the review process.

EQUALITY IMPLICATIONS

- 51 There are no equality implications arising directly from the recommendations in this report.

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APPENDIX ATTACHED

Appendix A Corporate Land and Property Strategy

LIST OF ABBREVIATIONS

the Park Act	Lee Valley Regional Park Act 1966
PDF	Park Development Framework
Working Group	Land & Property Review Working Group
Ha	Hectares
the Trust	Lee Valley Leisure Trust Ltd (trading as Vibrant Partnerships)
CAMP	Corporate Asset Management Plan
SA	Sustainability Appraisal
SSSI	Sites of Special Scientific Interest

PREVIOUS COMMITTEE REPORTS

Executive Committee	E 474 16	Land & Property Review Working Group – Draft Corporate Land & Property Strategy	15 Dec 2016
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CORPORATE LAND AND PROPERTY STRATEGY 2017 to 2027

The Authority will retain a Property¹ portfolio that complies with the requirements of the Lee Valley Regional Park Act 1966 (the Park Act) and delivers its business objectives:

- fulfils the Authority's statutory duty under section 12 of the Park Act and 'contributes positively to the image or role of the Park'² ;
- supports the Authority's Vision for the Regional Park as a World Class Destination;
- each Property exhibits at least one of four characteristics:
 - it meets its statutory purpose which would be jeopardised in the event of a disposal;
 - it fulfils an operational need;
 - it generates a reasonable net income and/or has potential for capital growth;
 - the Authority is best placed to maximise the potential of the Property for the benefit of the vision of the Lee Valley Regional Park.
- **Acquisition:** will be considered where opportunity arises and purchase is deemed appropriate to achieve the delivery of statutory purpose and business objectives but will be subject to available resources.
- **Disposal: a decision** to dispose of land can be taken where the Authority considers, taking all of the relevant circumstances into consideration "**at the time**" that the **land** is "**not required for the purposes of any of its functions**". The Authority will seek where possible to retain freehold ownership.

Use of funds derived from part or full disposal

The disposal of land for non-Park purposes is likely to be preceded by the negotiation of planning permission for a non-Park related use. This may be contrary to adopted policies. It will be important that the application identifies how monies realised could be re-invested in the Regional Park. This approach helps distinguish between the Authority and third parties who may wish to develop their land within the Regional Park for private gain and without any significant benefit to the Regional Park. This could involve Authority led projects where disposal is integral to the delivery of new investment in the parklands or venues. Such projects may require a discrete business case predicated on the realisation of value.

Exchange of Land in furtherance of the Authority's aims

Acquisition and disposal can also be considered where it allows for opportunities for an exchange of land with other owners of land within the Regional Park boundary. The Authority can acquire land outside the Regional Park boundary to allow it to exchange land for the purpose of, or in connection with, any of its functions.

¹ Property includes land and buildings

² Park Plan 2000 page 29

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