



Cabinet

18 JULY 2011

LEADER

Councillor Stephen Greenhalgh

EARLS COURT REDEVELOPMENT

This report recommends that an exclusivity agreement be entered into with Capital and Counties in order to continue negotiations towards a potential Land Sale Agreement for the inclusion of the West Kensington and Gibbs Green estates in a comprehensive regeneration scheme.

**Wards:
North End
Fulham
Broadway**

A separate report on the exempt part of the agenda provides information which is confidential.

CONTRIBUTORS

DFCS
ADLDS

Recommendation:

That approval is given to enter into an Exclusivity Agreement with Capital and Counties Properties plc (Capco) to grant an exclusive right for Capco to continue negotiations with the Council around a possible Conditional Land sale Agreement for inclusion of the West Kensington and Gibbs Green Estates in a comprehensive redevelopment scheme.

**HAS AN EIA BEEN COMPLETED?
N/A**

**HAS THE REPORT CONTENT BEEN RISK ASSESSED?
YES**

1. BACKGROUND

1.1 The Council has been in negotiations with Capco over the inclusion of the West Kensington and Gibbs Green estates in a comprehensive regeneration scheme spanning 77 acres across the London Borough of Hammersmith and Fulham and the Royal Borough of Kensington. The area has three principal land holdings:

- Transport for London (freeholder of the Lillie Bridge Depot and Earls Court)
- Capital & Counties (CapCo) leaseholders of Earls Court 1 and 2 and freehold owners of Seagrave Road Car Park
- LBHF, freehold owners of the West Kensington and Gibbs Green housing estates.

1.2 The comprehensive regeneration of these three land holdings, offers the opportunity for the council to secure major estate renewal across the West Kensington and Gibbs Green estates as well as offering the opportunity to deliver substantial benefits for local residents and the wider community. This includes securing new modern homes for all existing residents of the West Kensington and Gibbs Green estates, new additional affordable homes generating greater housing choice for Borough residents and in particular local families, new efficient schools, leisure and health facilities, new open and play space and a significant increase in job opportunities.

1.3 The benefits of comprehensive regeneration of these three landholdings have been recognised, and the area has been declared the Earl's Court West Kensington Opportunity Area within the Draft Replacement London Plan.

2. COUNCIL LAND

2.1 The West Kensington and Gibbs Green Estates occupy an area of 22 acres along the western length of the Earls Court buildings and the Lillie Bridge depot. The estates comprise the following properties:

	1 Bed Flat	1 Bed House	2 Bed Flat	2 Bed House	3 Bed Flat	3 Bed House	4 Bed Flat	4 Bed House	TOTAL
Council	163	0	212	0	46	75	8	27	531
Leasehold/ Freehold	21	0	85	0	24	28	2	11	171
RSL	4	3	6	13	0	25	0	7	58
Total	188	3	303	13	70	128	10	45	760

3. TERMS OF EXCLUSIVITY

- 3.1 The Council proposes to enter into an Exclusivity and Collaboration Agreement. This will give Capco an exclusive right to negotiate with the Council about the possible inclusion of Council owned land consisting of the West Kensington and Gibbs Green Estates within the proposed Earls Court comprehensive development proposal. Please see a map at Appendix one, highlighting land subject to exclusivity.
- 3.2 The exclusivity is for one year. The next stage of the process will be to try to agree a Conditional Land Sale Agreement between the parties. The Agreement will clarify the information required to enable an application to be made to the Secretary of State for the requisite consent for disposal of the Council's land should the Council decide that it is appropriate to do so.
- 3.3 Any agreement reached on a detailed Conditional Land Sale Agreement will need to ensure the delivery of new homes for existing estate residents and other assurances given to residents outlined in the Tenant and Leaseholder Offer documents.

4. PAYMENTS

- 4.1 Capco will pay a fee of £15m on entering into the exclusivity agreement. £10m of this is refundable should a Conditional Land Sale Agreement not be possible and £5m is not refundable under any circumstances.

5. FEES

- 5.1 These are in the exempt report.

6. RESOURCES AND NEXT STEPS

- 6.1 The Council will continue to work with Capco towards a possible Conditional Land Sale Agreement and related implementation and resources plan.

7. EQUALITIES IMPACT ASSESSMENT

- 7.1 This is addressed in the exempt report.

8. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

8.1 These are in the exempt report.

9. COMMENTS OF THE ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)

9.1 These are in the exempt report.

10. RISK MANAGEMENT COMMENTS

10.1 The report highlights the benefits of entering into the agreement and the scheme will be included as a new opportunity on the council's Corporate risk and assurance register.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Cabinet report - Earls Court and West Kensington - July 2009	Philip Morris x3334	Housing and Regeneration
2.	Earls Court and West Kensington Opportunity Area Draft Joint Supplementary Planning Document - first draft for public consultation - March 2011	Earls Court Project Team x2059	Environment
3.	Collaboration Agreement between LB Hammersmith and Fulham, Capital and Counties, and Transport for London	Jon Gorst x2750	Legal Services
CONTACT OFFICER: Philip Morris		EXT: 3334	