## They, Claudius, challenge Levy

Should Comden Council accept an unorthodax deal which offers free housing land plus the anticipated £5 million profit from a commercial development? LIZ FORGAN investigates.

STARTLINGLY unorthodox of private enterprise on the freelance journalists has Camden Council on the I one of the biggest developils it has ever attempted.

also was possed to sinn pre-acreements with Mr. Jue-bran Conserving and Investfor a nit development at a large Lawon, in return for a sub-school and for coun-

eet frozen — temporarily at bit a last minute sital bid pro-tie come deal but with all the large to Camden.

two journalists, Bonnie Gray phor Boker, have formed to kin who as Claudian Pro-claim! there raised more than the task to from a merchant ors out the wheme.

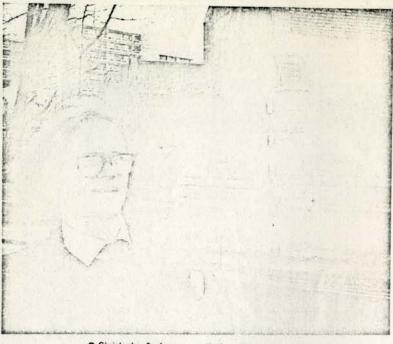
or the Stock Concernion deal the Stock Conservation deal, in which has the housing that movern price of up to the act and self in to Cambridge and self in to Cambridge and self in the Cambridge and self-interest sanction for municipal would be furthcoming. of the Stock Conversion would help with compulsory purpermanen for 250,000 of offices and 120,000

francisk Eoston Road. Boker Cras scheme is identi-scent that Camden would get at land at a nominal £1 an ber profits from the sale beck, estimated to exceed a unit be handed over for

have written to Camden the terms of the offer and acters from their bankers, and surveyors, Richard Melsin Ward have

he face of it, a deal which miden's ratenayers free hous-and a 15 million bonus is no to be preferred to the lated with Stock Conversion.

not every day that a



Christopher Booker . . . unorthodox private enterprise.

development and any attempt to switch to another scheme would hinge on Canadan being able to buy the com-

Booker and Gray claim that with total profits approaching £20 million to be made from the commercial de-teriorment, they can affect to pay Seven Conversion a fair price for its

Conceivable, Stock Conversion— which beauti most of its land at Tol-mers Square relatively cheaply—

"The Minister would have to balance justice to the first developer against the financial benefits to the local community promised by the second."

might accept such a proposal willingly, but the chances are not rated high by appears of the country of the proposal willingly, but the chances are not rated high by a principle of understand such a principle of the proposal willingly, but the chances are not rated high by a principle of the proposal willingly, but the chances are not rated high by a principle of the principle

much more likely to find itself fighting Stock Conversion when it came to applying to the Ministry for compulsory purchase orders.

The procedure would be neither cheap not easy, and councillors of both parties are vocing grave doubts that a Tory Secretary of State would ever grant CPOs in such circumstances.

Nepatiating CPOs for the Stock Conversion deal, they say, would by no means be a foregone conclusion. But with the opposition of a powerful developer who already owned large parts of the site and who was prepared to carry out the development inself the adds would grow considerably

But a spokesman for the Department of the Environment told the Ham and High on Tuesday: "The Minister would have to balance justice to the would have to balance justice to the first developer in such a situation against the financial benefits to the local community promised by the second developer.

But before Camden even starts weighing the chances of a CPO it must be certain that the new offer is a solid

All kinds of things could go wrong with a complex development of this kind and the possibility of someone backing out at the last minute is worrying a number of councillors who would otherwise welcome the new offer.

Stock Conversion is already heavily committed to the success of neavity committee to the sincess of the scheme and would be as anxious as Camden for it to succeed. Apart from their personal prestige Mr Booker and Mr Gray are so far risking nothing.

And Camden, whose over-riding

And Camden, whose over-riding concern is to get its 600 houses built, is conscious that by accepting the effer of a bigger financial benefit it could well lose everything.

As one councillor put it: "If you wanted to assemble a site cheaply, competently and quickly Stock Conversion has a pretty good record. This

does not yet apply to be new group,"
There is a further risk in accepting the Booker/Gray scheme since if
Stock Conversion chose to fight it, as
it almost certainly would, the whole
operation could be delayed for years
by costly leval battle.

by costly legal battles.

On the other side of the balance, however, is the strong dislike, already expressed by many Labour councillors, of consorting with property developers. Even the most enthosiastic defenders of the Levy deal have never presented that it is anything more than a necessary evil for the sake of

than a necessary evil for the sake of the precious housing.

If a reliable alternative were offered to them, which not only pre-vested fat profits from going to the developer but also brought benefits to the nareasyers, most Labour members.

It is not the nareasyers are the same through the precious with Stock Conversion Camden has been inhibited by the knowledge that with-

inhibited by the knowledge that with-out commercial subsidies it will never be able to build houses in that area

Two Ministers of Housing, one Tory and one Labour, have rejected earlier aftempts to go it alone, and

Councils operating in a capitalist system must learn to play the system better. says Alderman Greengross.

Camden's dependence on Stock Con-version in this regard has been a prime factor in the discussions.

factor in the discussions.
But Stock Conversion also needs
Camden. The two-acre site where it
plans to build its offices is zoned for
West End use, which means that commercial development has to be balanced by residential building.
The two acres themselves there-

fore have their value enhanced many times by being part of a package with the other 8½ acres of housing. In itola-tion Stock Conversion would almost

tion Stock Conversion would almost certainly not get permission for an office block of the size it proposes.

The co-operation of the local authority therefore adds enormously to the value of Stock Conversion's land holdings. This is the point which Booker and Gray are spoiltchting—that Camden is directly contributing to the profits which the company would make and that therefore the ratepayers should reap the benefit.

It is not an original point of view, but what is novel is the manner in which they propose to extract that benefit.

benefit.

The history of joint developments

the history of joint developments between private enterprise and local councils so far has shown that council negotiators trying to cut the ratepayers in on the profits have come off bally against the superior expertise of the superior expertise of the superior expertise of the superior experise of the superior experience two years ago when it tried a loint development at Swise Cottage. There the commercial development was to have been a hotel, a castiron investment it seemed. But even though Canden in that instance owned all the land itself the deal was ounsatisfactory that it collapsed at the last minute.

The Loup party view, as expressed

The Tory party view, as expressed by its Planning spokesman Alderman

Whatever happens, the affair has raised speculations about possible ways involving councils in the lucrative business of property development.

Alan Greengross, is that councils operating in a capitalist system must learn to play the system better.

They must hire top negotiating brains capable of standing up to the expertise of private enternise, allow the developers to take the risks and make the profits and then cream off

make the profits and then cream of a proper share for the community.

He has criticised the proposed agreement with Stock Conversion because, he says, it is too loose in the clause providing for Cenden to share in the office block profits.

At present Stock Conversion has been persuaded to offer Camdon up to

another development in Cambridge Circus, Covent Garden.

Their two larse developers had been assembling land for years on the strength of an understanding with the GLC that when the authority came to sell some crucial frontages they would be able to buy them.

But Camden council, anxious for a stake in devising the elanning brief for the area, intervened at the last minute with a higher offer and went to the High Court for an injunction stop the sale going through.
The GLC, Camden contended, had

no legal obligation to the developers but a strong moral obligation to its ratepayers to accept a better offer. The

matter is now with the Scretary for the Environment, Mr Geoffrey Rippon, Tolmers Square is a different situ-ation since here the key parcel of land is owned by Stock Conversion, but the parallel is close enough to constitute an interesting background to the argu-

The Booker/Gray proposal does nothing fundamental to alter the way in which property finances operate. To all intents it is a private speculative deal—except that in an access of philanthropy they are choosing to donate the profits to the public good. The detailed figures involved and the seriousness of the commercial interests concerned have yet to be examined to Camden's satisfaction.

But whatever happens the affair has raised fascinating speculations about possible ways of involving public authorities in the lucrative business of property development. nothing fundamental to alter the way in which property finances operate. To

authorities in the lucrative business of property development. There is no reason why the scheme should not be repeated elsewhere, giving councils who want to use it a change to become masters in their own territory instead of the reluctant victims of the property boom.



@ Bennie Gray, Booker's partner in Cloudius Proporties.

## Marks & Spencer

including Thursday

ut no regrets

Carlsen and Dancy if they would mind if he