

staff announcement

sa063-08

Date **30 July 2008**

Title **Update: PCS Falcon Road Headquarters & the possible development of Clapham Junction**

Sub heading **Development of the new Battersea Town Centre at Clapham Junction**

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General Secretary**

Summary **There are significant development proposals for Clapham Junction Railway Station and the existing shopping centre, the station car park and other surrounding areas. The proposed development includes the PCS building at 160 Falcon Road, owned freehold by PCS. After 18 months of talks, no progress has been made. It appears that in the current economic climate Delancey has decided to re-consider its plans and again delayed making a formal proposal to PCS. After very careful consideration PCS has decided that unless a meaningful commitment to negotiate is received from Delancey by a set date in the early autumn, then we will notify Delancey and Wandsworth Council of our intention to remain at 160 Falcon Road.**

Attachments & References • **sa006-08**

I have previously informed staff about proposals to re-develop Clapham Junction and the interest in acquiring the PCS building expressed by a property developer. This Staff Announcement gives the latest situation.

Development Proposals

There are significant development proposals for Clapham Junction Railway Station and the existing shopping centre, the station car park and other surrounding areas.

The developers are Metro Shopping Fund which is a 50/50 joint venture between Land Securities plc and Delancey. This developer already owns the freehold of Shopstop@Clapham Junction which includes the station car park and the roadway with access from Falcon Road.

Delancey are in discussions with Network Rail to acquire a small amount of land from them in order to provide a new station entrance and booking hall.

The developer proposes a part two storey and part three storey shopping development running from St John's Hill to Falcon Road, comprising over 150,000 sq ft of retail space. The proposal is for two very tall residential tower blocks of around 30 storeys in height comprising more than 500 flats.

The proposed development includes the PCS buildings at 160 Falcon Road. This building is owned freehold by PCS.

Background to discussions with the developer

Delancey first contacted members of the PCS Senior Management Team in late 2006.

The developers explained that they were planning to redevelop the whole site, and that they would be putting a proposal to PCS that would enable PCS to relocate to a new Headquarters building elsewhere.

PCS have maintained throughout that if a proposal were to be received that provides enough funds to acquire and equip a new Headquarters office building in a suitable location, and that is large enough, and of a sufficiently good quality, then that proposal will be seriously considered.

PCS appreciate that this development proposal may prove a unique opportunity to reconsider and improve the PCS office accommodation, and also that the developer may pay greatly in excess of the market price for 160 Falcon Road.

A series of meetings and exchange of correspondence took place throughout 2007 and in the first half of 2008.

We were given to understand that Delancey were making progress with negotiations with Network Rail to provide a new station concourse. Also that they were negotiating an agreement with other occupiers on the site, including Moss Bros. Further more we understood that Wandsworth Council Planners and the Office of the Mayor and the GLA were generally supportive of the development proposals.

As things stand

The developers have still not made an offer to buy the PCS building.

PCS have not been able to seriously consider any relocation options due to having received no offer nor any reliable timetable for the development.

We now understand that there is no agreement in place with Moss Bros who are the next largest occupier on the site after PCS.

No planning application has been submitted, but Wandsworth Council are engaging in detailed pre-application discussions. Delancey held a public exhibition on the site in January 2008 as part of the public consultation process.

PCS have always made it clear that they are prepared to listen and consider any proposal that may be in their interest. However, as an owner-occupier, PCS cannot wait forever in a state of uncertainty. The building needs to be regularly maintained and decorated. Further delay could affect the efficient running of the organisation due to uncertainty caused to staff, members and visitors.

After 18 months of talks no progress has been made, so PCS have no basis of agreement with the developers.

Next steps

It appears that in the current economic climate Delancey has decided to reconsider its plans and again delayed making a formal proposal to PCS.

After very careful consideration PCS has decided that unless a realistic proposal or a meaningful commitment to negotiation is received from Delancey by a set date in the early autumn, then we will notify Delancey and Wandsworth Council of our intention to remain at 160 Falcon Road.

We will of course keep the GMB and staff informed of any further developments.