

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	Thursday 2nd February 2023
<b>Subject:</b>	Sandbrook Way, Ainsdale – Acquisition and Development Brief		
<b>Report of:</b>	Assistant Director of Place (Economic Growth and Housing)	<b>Wards Affected:</b>	Ainsdale;
<b>Portfolio:</b>	Cabinet Member - Regeneration and Skills		
<b>Is this a Key Decision:</b>	Yes	<b>Included in Forward Plan:</b>	Yes
<b>Exempt / Confidential Report:</b>	No		

### Summary:

Report to update Cabinet on progress with the acquisition of leasehold interests in property at Ainsdale Neighbourhood Centre and provide an update on the delivery of the Sandbrook Way Neighborhood Centre project including agreement to progress market testing the site development opportunity to identify market interest in the site.

### Recommendation(s):

- (1) The content of the report be noted, in particular progress on the acquisition of outstanding lease interests.
- (2) Members note the Development Brief for this site and agree officers progress market testing of the site to identify developer interest in this site.
- (3) The Assistant Director of Place (Economic Growth and Housing) report to the Cabinet Member for Regeneration and Skills on the outcome of the market testing process.
- (4) The Assistant Director of Place (Economic Growth and Housing) be authorised to undertake preparatory work for use of Compulsory Purchase Order (CPO) powers, if required, to assemble any remaining outstanding interests in this site and bring forward comprehensive development of this site.

### Reasons for the Recommendation(s):

In order to bring forward comprehensive development of this site the whole site needs to be within Council ownership. Considerable progress has been made (through negotiation by agreement) with a number of the leasehold interest for site however there remain a

number of leaseholders with which Sefton Council has been unable to yet reach agreement. Sefton Council is considering using compulsory acquisition powers to conclude these negotiations and in order to do this, the Council needs to be able to demonstrate it has a viable and deliverable development proposal for the site. Sefton Council therefore needs to market the opportunity and establish market interest. This recommendation will enable market testing to be undertaken based on a development brief prepared for the site.

**Alternative Options Considered and Rejected:** (including any Risk Implications)

Do not acquire leasehold interests – risk is the continued physical deterioration of the property in Ainsdale and associated problems for the local community. Not acting now simply risks delaying the inevitable requirement for the Council to intervene at a point in the future with higher cost to the public purse.

The Council could continue to negotiate by agreement with the existing owners and not consider using its compulsory acquisition powers. Given the time taken to date and reluctance of the outstanding leaseholders to agree terms for buying them out, officers are of the view that the use of compulsory acquisition powers is needed to draw these negotiations to a conclusion.

Do not progress marketing exercise - If the Council wish to use compulsory acquisition powers it needs to demonstrate that a viable scheme can be delivered. Establishing market interest at this point is required to have confidence that a viable scheme is capable of being delivered. Market demand for the site needs to be established before proceeding with any formal process and the market testing will establish what interest there is in this site. In order to progress through the CPO process, the Council has to secure a developer partner capable of delivering a scheme for this site and demonstrate that there is a credible and sustainable development which will deliver the overall site development.

**What will it cost and how will it be financed?**

**(A) Revenue Costs**

None directly arising from this report - All revenue costs to date are provided for within the budget allocation agreed for this project in 2020 to fund acquisition guidance and advice.

**(B) Capital Costs**

None directly arising from this report. Capital budget allocation approved and provided for within the current Growth Budget for £1.3m to purchase leasehold interests. A further report will be needed to agree formal use of compulsory purchase powers following evaluation of the market testing.

## Implications of the Proposals:

### Resource Implications (Financial, IT, Staffing and Assets):

The project is being progressed using Council staff and external specialist advice and support funded from existing Council budget allocation agreed in 2020.

### Legal Implications:

The legal process for using compulsory acquisition powers is clearly set out and established. Whilst there are no direct legal implications in this report the actions within this report form a key component of the Council's case for using acquisition powers available to it.

### Equality Implications:

There are no equality implications.

### Climate Emergency Implications:

The recommendations within this report will

Have a positive impact	Yes
Have a neutral impact	No
Have a negative impact	No
The Author has undertaken the Climate Emergency training for report authors	Yes

The project is anticipated to have a positive impact on the area by addressing an issue of dereliction, helping to address issues associated with antisocial behaviour and enhancing the wider area. The proposals for comprehensive redevelopment of the site will bring forward a new development and investment and uses into the area that will help support this community at a local level, reducing the need to travel and enable access on foot to local services.

## Contribution to the Council's Core Purpose:

**Protect the most vulnerable:** Support is being given to any vulnerable residents currently in premises that require the Council's assistance is required to rehouse them. This has been a condition of any lease surrender by landlords.

The development of the site will assist reducing antisocial behaviour particularly for more vulnerable residents in the area and encourage more activity and footfall in the vicinity.

**Facilitate confident and resilient communities:** The purchase of the leasehold interests and development of the site will improve the physical appearance of the area, as well complimenting the nearby residential development scheme of Sandway Homes helping with wider regeneration aims.

**Commission, broker and provide core services:** Not applicable

**Place – leadership and influencer:**

Sefton Council is taking progressive and direct action to address a longstanding issue

for this area and is using powers available to facilitate and effect change for the local community.
Drivers of change and reform: Sefton Council is being progressive in taking action to acquire the outstanding leasehold interests and seeking a development partner to help facilitate a positive outcome for this area which has been subject of blight and anti-social behaviour for many years.
Facilitate sustainable economic prosperity: The Council will be able to formulate and move forward with development of this site which will bring new uses, jobs and investment into the Ainsdale area.
Greater income for social investment: Sefton Council is using its land ownership to facilitate change and bring forward new locally accessible uses which will help support the local community and make it more resilient.
Cleaner Greener Regeneration of an area of blight

## What consultations have taken place on the proposals and when?

### (A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD.7088/23.) and the Chief Legal and Democratic Officer (LD.5288/23) have been consulted and any comments have been incorporated into the report.

### (B) External Consultations

Consultation has been undertaken with the local community representatives in the area to inform the option appraisal for the site.

## Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

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## Appendices:

Appendix 1 - Development Brief for the site

## Background Papers:

There are no background papers available for inspection.

## **1. Introduction/Background**

- 1.1 In February 2020 Cabinet approval was obtained to address the longstanding antisocial and environmental blight caused by the properties in Ainsdale by acquiring all of the existing leasehold interests in the site, bringing it all back into Council ownership and control.
- 1.2 Previous attempts to secure a development partner were unable to progress due to one of the leasehold owners failing to agree terms for disposal of their interest in the site. Members consequently agreed to try and negotiate by agreement all of the leasehold interests in the site and that has been a focus for the Council since 2020.
- 1.3 The acquisition process with owners through negotiation and agreement has progressed with approximately 50% of current interests agreeing to or having already disposed of their interest to Sefton Council. In order to securing the remaining outstanding interests the strategy is to progress through a legal process of Compulsory Purchase (CPO).
- 1.4 In order to progress through the CPO process, the Council has to secure a developer partner to demonstrate that there is a credible and sustainable development which will deliver the overall site development.

## **2 Securing a Development Partner**

- 2.1 In order to secure a developer partner, an Options Appraisal report was undertaken by local property consultants on behalf of the Council which identified that the most deliverable use for the site would be a food retail-based scheme. In order to confirm the demand for this use, it is recommended that the Council go out to the market to identify interest in the site through an 'Expressions of Interest' (EoI) process. Consultation with local community representatives was undertaken as part of the option appraisal process and agreeing the preferred option for this site.
- 2.2 The process for undertaking an EoI exercise would be to issue detailed site particulars to the market with reference to an approved Development Brief for the site.
- 2.3 A Development Brief has now been prepared for the site and is attached to this report for information. The brief covers all matters and issues relating to the site development including :
  - Purpose of the development brief
  - The Council's vision for the site
  - Detailed information relating to the site (size, ownership etc)
  - Links to relevant council policies and procedures (planning/highways etc)
- 2.4 The Brief sets out the broad planning and development issues relevant to the site and the key issues that a developer will need to address as part of any redevelopment proposals for the site.

- 2.5 Council Officers have a list of organisations who are active in the food retail sector and the EoI document will be targeted to them. They will typically be food discounters along with other interests who are more flexible in their size and format and developers and agents who act on behalf of a range of related development types.
- 2.6 It is anticipated that the final development proposal would be primarily retail with associated minor development, depending on market interest.

### **3 Timescales**

- 3.1 The Development Brief and Marketing EoI process will include advertising the site and issuing the development brief for consideration by the market. This will be advertised for approximately 8 weeks and responses will then be considered by officers and Cabinet Member for Regeneration and Skills.
- 3.2 Each submission will be assessed and presented to Members for consideration. Negotiations will continue with market interests during this process.

### **4 Acquisitions Programme**

Whilst the above process is progressing, the Council and its agents will continue to negotiate with those parties who have not yet committed to disposal of their leasehold interests. The EoI process will also alert those owners to the fact that the Council are actively seeking a partner to deliver a development, and this will assist in moving forward the negotiations. Assistance through the Council's Housing and Business Support teams has been provided throughout this process.

### **5 CPO Process**

- 5.1 It was always anticipated that if the Council get to the stage where the acquisition progress by agreement has stalled, it would need to consider undertaking compulsory purchase of the remaining properties through using the statutory Compulsory Purchase Order procedures. The first phase at this stage is to present an update report to Cabinet and that is the purpose of this report. The importance of completing this stage is to secure Member support for the principle and allow the Council representatives to re-approach the outstanding interested parties and confirm that formal CPO legal proceedings will be instigated should no agreement on sale be reached.
- 5.2 The steps for making the CPO is as follows:
1. **CPO Report to Cabinet** – (this report) to allow for all discussions to take place with relevant colleagues and external parties. The importance of completing this stage is to secure Member agreement to the next stages, and this will allow the Council to re-approach the outstanding interested parties and confirm that legal proceedings will be instigated should no agreement on sale be reached.

2. **Marketing of the Site** - This will be done in parallel to the CPO report preparation work. The market testing is a requirement of the CPO process to demonstrate a scheme is capable of being delivered on the site. This will be done through appointment of external agents. This is likely to take at least approximately 8 weeks and discussions are informally underway with retail sector experts to alert them to this opportunity.
3. **Land Referencing** – this is required to confirm outstanding ownerships and occupations and to draft up the formal CPO schedule of interests.
4. **Acquisition by private treaty** – Ongoing - Officers will continue to try to achieve in parallel with the CPO process.
5. **Planning Statement / Statement of Reasons** – effectively the justification for the CPO – what is proposed, what the public benefits are, why the CPO is needed.
6. **CPO Resolution** – the formal Council decision to make the CPO, once a development partner has been identified.
7. **Make the CPO** – effectively serving the CPO on interested parties
8. **Objections / public inquiry** – if there are landowner objections then there will need to be a public inquiry to consider those objections.
9. **Confirmation of the CPO** – by the Secretary of State
10. **Implementation of the CPO** – i.e. taking the land interests

## 6 Conclusions

In light of the above report, it is recommended that officers progress with seeking to acquire the outstanding lease interests in this site. In addition, and in parallel, officers progress with market testing of the site to identify developer interest based on the attached development brief appended to this report.