

REPORT TO: Cabinet

DATE: 10th June 2010

SUBJECT: Kew Housing and Employment Site, Southport – Progress update

WARDS AFFECTED: Kew

REPORT OF: Alan Moore - Strategic Director of Communities
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**EXEMPT/
CONFIDENTIAL:** No

PURPOSE/SUMMARY:

To update members on progress since the last report to Cabinet in October 2009.
In particular the progress on;

- Site Investigations
- The request to enter a further advanced legal agreement
- Recent Consultation with local residents
- Action on grazers occupying the site
- The requirement for further reports to update Cabinet and the Southport Area Committee in due course.

REASON WHY DECISION REQUIRED:

Members resolved to receive update reports.

RECOMMENDATION:

It is recommended that Cabinet:

- Authorise the Director of Legal Services to enter into a further advanced legal agreement with BDW
- Authorise the Director of Legal services to take proceedings as necessary against the grazers recently served with a Notice to Quit and note the loss of income to the Council of £3,394pa as a result of this.
- Note and approve the progress being made on other matters.

KEY DECISION: No

FORWARD PLAN: N/A

IMPLEMENTATION DATE: Following the call in period for the minutes of this meeting.

ALTERNATIVE OPTIONS: The alternative is not to proceed with the project, which will mean the Council will not be able to deliver the market, extra care and affordable housing and employment space which are key objective for developing this site.

IMPLICATIONS:

Budget/Policy Framework:

Financial:

- i) The Council currently receive a revenue income of £3,394 pa from the grazing licences. This would cease when the grazing licences terminate. The table below reflects this loss of income to the Council.
- ii) With regard to the Capital receipt for the site, the details are not quantifiable at this stage but will be presented in due course.

<u>CAPITAL EXPENDITURE</u>	2010/ 2011 £	2011/ 2012 £	2012/ 2013 £	2013/ 2014 £
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure	3,394			
Funded by:				
Sefton funded Resources	3,394			
Funded from External Resources				
Does the External Funding have an expiry date? Y/N			When?	
How will the service be funded post expiry?				

Legal:

- The Director of Legal Services is to be authorised to
- i) Enter into a further legal agreement with BDW
 - ii) Take proceedings if necessary against those grazers who fail to comply with the notice to quit served recently.

Risk Assessment:

N/A

Asset Management:

This proposal is a positive initiative which will release value from a non-operational Council asset.

CONSULTATION UNDERTAKEN/VIEWS

ENVIRONMENTAL PROTECTION,
PLANNING AND ECONOMIC REGENERATION
TECHNICAL SERVICES DEPARTMENT
HEALTH AND SOCIAL CARE
LEGAL SERVICES

THE SOUTHPORT PARTNERSHIP

FD 422 – The interim Head of Corporate Finance and Information Services has been consulted and his comments are incorporated in the report.

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		✓	
2	Creating Safe Communities		✓	
3	Jobs and Prosperity	✓		
4	Improving Health and Well-Being		✓	
5	Environmental Sustainability	✓		
6	Creating Inclusive Communities	✓		
7	Improving the Quality of Council Services and Strengthening local Democracy	✓		
8	Children and Young People		✓	

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

None

1.0 Background

- 1.1 The land at Town Lane, Kew is the largest available housing and business development site in the north of Sefton and has been identified by the Council as a unique opportunity to create a high quality environment in which to both live and work. The release of this land for housing and employment purposes by the Council will make a significant contribution to meeting the demand for both affordable and private housing in this part of the Borough. The initial developer appointment exercise identified the site as having capacity for approximately 674 homes. This is intended to be in the form of 437 private houses for sale and 237 affordable homes, although these figures are subject to the detailed planning process and economic viability appraisal. The site also represents an opportunity to include Extra Care Housing as part of the overall development and will help to increase the supply of new high quality commercial property within the use classes B1 designation.
- 1.2 With regard to the Strategic Housing Land Availability Assessment, Town Lane is identified as the Borough's most important housing site, delivering a housing supply in the period from 2013 onwards.
- 1.3 At Cabinet on the 1st November 2007 Members approved the selection process for the appointment of a developer partner to assist in the creation of an extended Southport Business Park (Shown as sites B and C on Appendix 1) and as a

partner for the development of the adjacent housing site (Shown as site D on Appendix 1)

- 1.4 On 2nd October 2008 Barratt Developments PLC (BDW), including their partner David Wilson Homes (DWH), was confirmed by Cabinet as the preferred developer partner for the Kew site. The resolution approved the appointment of Barratt Developments via an initial exclusivity agreement which also allowed DWH access onto the site to carry out site investigations.

2.0 Current Position

2.1 Site Investigations/ Remediation and Planning Application

- 2.1.1 The legal agreement and access licence has allowed DWH to commission intrusive site investigation works to take place across the site.
- 2.1.2 Since November of 2009 Hydrock, the environmental consultants acting for DWH have been undertaking these intrusive investigative works, the most recent phase having been completed in March of this year. The information from these investigations is expected to be presented back to the Council in June which will enable both the Council and the Environment Agency to determine any further work to be done on this matter. If no further investigative works are required a remediation options appraisal and remediation method statement will be prepared to determine the scope of work necessary to prepare the site for development.
- 2.1.3 The Planning Team of DWH is working closely with the officers to prepare the most appropriate proposals for the site. A Design Code is being developed to ensure that the scheme achieves the highest standards possible and to ensure that its appearance that of a quality development.
- 2.1.4 The first of a series of planned consultation events took place on the 20th of May at Kew Wood School. Whilst there were issues regarding the delivery of newsletters inviting residents to the event, some of which were delivered only on the day of the event itself, the event attracted in excess of 200 local residents
- 2.1.5 The event was designed specifically to present a “blank canvas” allowing issues to be identified before a scheme layout is prepared. Attendees were invited to discuss matters with local councillors who attended for part of the meeting, officers, and the DWH Planning Team together with Arena Housing who will be DWH’s Social Housing Partner. These matters are currently being drawn together and will be available as a brief report at the Cabinet meeting.
- 2.1.6 The intention is that with this information the DWH Planning Team will prepare a layout plan by July which will be the discussion document for a later series of consultations. The longer term objective being the submission of a Planning application by September 2010

2.2 Legal Position

- 2.2.1 As the Barratt/DWH Development Team have now completed the site investigations to their satisfaction they are, as is detailed above, in the position to commit to making a Planning Application for the site. The application will be a more detailed commitment to development of the site and it is considered appropriate now for the Council to enter into a further advanced legal agreement with the parent company of DWH namely BDW for the sites subsequent disposal.

2.2.2 The Kew site has for many years been occupied by horse grazers. However, as it is now necessary for the developer to advance their proposals it is important for the site to be clear and ready for works to commence. The term of the grazer's licences required the serving of a 3 months notice to quit. This was actioned in April and will expire on the 21st July 2010. Should there be any defaulting on the notice the Director of Legal Services has requested authority be granted to take legal proceedings against the defaulters.

2.2.3 Members are specifically asked to note and agree these legal matters.

2.3 Financial Matters

2.3.1 The Council currently receives a revenue income from the grazing licences of £3393.76 per annum. This income would cease when the grazers move from the site. Members may wish to note this loss of income to the Council and it's budgetary impact,

2.3.2 The further financial implications arising from this report are related specifically to the securing of a Capital Receipt but the further advancement of the legal agreement and the impending Planning Application with DWH brings the Council closer to being able to determine what this Capital Receipt may be.

2.3.3 The process to be adopted in determining this Capital Receipt will be similar to that adopted by the HMRI programme in that the Development Appraisal to be submitted by DWH will be scrutinised by both Capita and the Council's retained advisors on affordable housing viability - Three Dragons.

3 Programme of Development

3.1 The current programme for the development of the site has been altered since last reported as a result of the requirement to have a planning approval in place to support the Council's application for the redevelopment of the Meols Cop School under the BSF programme.

3.2 With a Planning Application intended to be submitted by August/September 2010 and an approval in place by December 2010 this will support the Council's business case submission for BSF funding.

3.3 The programme is then likely to take the following course: -

Presentation to Consultation Panel	July 2010
Further Consultation on Draft Layout	July/August 2010
Planning Application	September 2010
Planning Approval	December 2010
Remediation	Jan 2011 – Oct 2011
Development Commencement	Nov 2011
Properties available for occupation	March 2012

4 Conclusions

4.1 David Wilson Homes are now sufficiently confident in the information that they have been able to gather about the conditions on the site to proceed with the preparation of a scheme for the site. The processes that are being followed both by the Council and DWH themselves will result in successfully bringing forward

the development of the Kew site for both residential and commercial development within the programme detailed above.

4.2 Cabinet and Members will be updated on further progress as it continues.

APPENDIX 1

