

REPORT TO	ON
CABINET	20 March 2019



TITLE	PORTFOLIO	REPORT OF
McKenzie Arms, Station Road, Bamber Bridge	Corporate Support and Assets	Assistant Director Property and Housing

Is this report a <b>KEY DECISION</b> (i.e. more than £100,000 or impacting on more than 2 Borough wards?)	<b>Yes</b>
Is this report on the <b>Statutory Cabinet Forward Plan</b> ?	<b>Yes</b>
Is the request outside the policy and budgetary framework and therefore subject to confirmation at full Council? <i>This should only be in exceptional circumstances.</i>	<b>No</b>
Is this report confidential? <i>If Yes, insert details of the relevant exclusion paragraph(s). These are listed in the Constitution Part 4, page 25 (Access to Information Procedure Rules)</i>	<b>No</b>

## 1. PURPOSE OF THE REPORT

- 1.1. To bring forward a proposal for Cabinet consideration, setting out the future use of a brownfield site in Bamber Bridge for development
- 1.2. The report shall also update Cabinet on the consultation exercise that has taken place and proposed next steps around consultation.

## 2. PORTFOLIO RECOMMENDATIONS

- 2.1. Cabinet agree to a full options appraisal for the development and delivery of this site to provide affordable and/or mixed use housing.
- 2.2. That a further report is provided to cabinet detailing a full business plan and investment options for the scheme.
- 2.3. Cabinet approve an application to One Public Estate, usage of Section 106 monies and other funding schemes are explored to help fund the development.

## 3. REASONS FOR THE DECISION

- 3.1. The decision taken will work towards addressing the current Housing requirements for the residents of the Borough, and will ensure the Council receives Value for Money in the use of its assets and investments.

#### 4. CORPORATE PRIORITIES

4.1 The report relates to the following corporate priorities:

Excellence and Financial Sustainability	√
Health and Wellbeing	√
Place	√
Projects relating to People in the Corporate Plan: People	

#### 5. BACKGROUND TO THE REPORT

- 5.1. The site in question was originally purchased by the Council in 2012 to assist in the development of a much larger residential development site to the rear of the site in question. At the time of acquisition, Members were provided with a comprehensive report, setting out the options for purchase, along with an assessment of all appropriate risk, and approval was given for the acquisition.
- 5.2. Since 2012, the developer of the land to the rear submitted two separate planning applications with regards developing out land to the rear. One of these application contained the land in question as key access, the second provided access via an alternative route which was not in the control of this Council. Both of these applications where approved by this Council.
- 5.3. In 2018, the developer commenced the redevelopment of the land to the rear, and notification has been received that the Council owned site will now no longer be required by the developer for access.
- 5.4. The Council now has an opportunity to bring this site forward for meaningful development, and redevelop this prominent site in Bamber Bridge from a brownfield site, to a development that not only meets the needs of the community, but also develops a quality built environment.
- 5.5 The Council's most recent Strategic Housing Market Assessment identifies a clear need for affordable rented units in the Borough. The Council's waiting list (Select Move – Choice Based Lettings Scheme) figures for Bamber Bridge indicates most demand for rented accommodation.
- 5.6 The following table illustrates the current number of Select Move applicants recorded for Bamber Bridge as their first choice area as at 29 January 2019:

<b>Bamber Bridge</b>	
1Bedroom	62
2Bedroom	44
3Bedroom	17
4Bedroom	5
<b>Total</b>	<b>128</b>

## **6 PROPOSALS (e.g. RATIONALE, DETAIL, FINANCIAL, PROCUREMENT)**

- 6.1 The site in question sits in a prominent position, as a gateway site entering Bamber Bridge. The site is currently Brownfield in its nature, with the former McKenzie arms building being demolished some years ago. Its current use is as informal car parking.
- 6.2 In considering appropriate alternative uses for this site, the council must ensure that it receives appropriate value for money (considering its original purchase price), and provides a development that meets the needs of the community.
- 6.3 Following a recent consultation with the community, there was only one response from a member of the community who suggested that the land be retained as a car park for local residents. Recent housing surveys have identified however, that there is a real need for Affordable Homes including social rent and low cost homeownership within Bamber Bridge, and this site would appear to be well positioned to facilitate such a development.
- 6.4 It is proposed that a full options appraisal is now carried out on this site, to explore further the viability of providing quality affordable homes on this site
- 6.5 Once this work is complete, a further, detailed report will be submitted to Cabinet, seeking a detailed investment decision.

## **7 CONSULTATION CARRIED OUT AND OUTCOME OF CONSULTATION**

- 7.1 Several consultation events have taken place with the community around the future use of this site. The community were frustrated that the site has not been used for access to the land to the rear, however, as detailed in the body of this report, this matter lies outside the control of this Council.
- 7.2 In December 2018, the Council carried out further consultation with the community to seek views on the future use of the site. The response has been very limited. There was only one respondent and they stated that they wanted the site to be used as a car park for local residents.

## **8 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

- 8.1 The Council could choose not to develop the site and retain it as temporary car parking. However, this would require some form of investment in the surfacing of the site should it remain as permanent parking. This is not recommended as there are alternative more pressing demands around the need for affordable housing, and this would not meet the best value principles of the use of council assets. Initial financial viability indicates that financial return for car parking would not provide 'value for money'.

## **9 FINANCIAL IMPLICATIONS**

- 9.1 The proposals in this report will provide the opportunity for the Development of the site to provide a source of long term ongoing revenue to recoup the original purchase price of the site. The council will also consider as part of the appraisal how it can use other resources including s106 affordable homes reserves or One Public Estate funding to bring forward a sustainable development.

## **10 LEGAL IMPLICATIONS**

- 10.1 A review has been carried out of the legal position with regards to the future use of this site, and the parameters of future development of the site.

- 10.2 Once a full options appraisal is carried out in respect of possible ways forward, more detailed legal advice will be provided to Cabinet on the delivery model and the full legal implications of what is considered, before any formal investment is made.

## **11 HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT IMPLICATIONS**

*Not applicable.*

## **12 ICT/TECHNOLOGY IMPLICATIONS**

*Not applicable.*

## **13 PROPERTY AND ASSET MANAGEMENT IMPLICATIONS**

- 13.1 The future use of this asset will align to the council's strategic asset management strategy.

## **14 RISK MANAGEMENT**

- 14.1 This project will be delivered in line with the council performance management framework, with risk for the project being identified, recorded and managed within this process.

## **15 EQUALITY AND DIVERSITY IMPACT**

- 15.1 The development of this site has the potential to provide quality, affordable homes for the residents of the Borough. Equality and diversity issues will also be considering at the design and delivery stages.

## **16 RELEVANT DIRECTORS RECOMMENDATIONS**

- 16.1 Cabinet approve the development of a full options appraisal for this site, for the delivery of affordable homes, with a full proposal and business case being brought back to cabinet for further consideration. A funding bid to One Public Estate, use of Section 106 monies and bids for other funding streams shall be explored as part of the business planning process.

## **17 COMMENTS OF THE STATUTORY FINANCE OFFICER**

- 17.1 Development of this site will enable the council to recover its original investment through long term sustainable income.

## **18 COMMENTS OF THE MONITORING OFFICER**

- 18.1 At this juncture we are proposing to look further into what our options are for the development of this piece of land. Once these options have been developed then detailed legal advice will be provided on the full implications of such proposals.

## **19 BACKGROUND DOCUMENTS**

- 19.1 There are no background documents to the report.

## **20 APPENDICES**

- 20.1 There are no appendices to the report.

Assistant Director of Property and Housing

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