

Report of the Director

PROPERTY MATTERS

1 Purpose of report

To provide an update to members on the report submitted to the committee on 19 September 2018, to raise additional issues and to seek approvals where necessary.

2 Executive summary

The report provides an update in relation to ongoing approved projects and seeks approval to change the project priorities to those identified in Appendix 1.

3 Appendices

Appendix 1 – Property and Project priorities.

4 Proposed action:

The committee is invited to RESOLVE

4.1 To note progress with regard to the projects outlined in Appendix 1

4.2 To approve the updated Property and Project team priorities as set out in Appendix 1

4.3 Approve the use of capital receipts under the flexible use of capital receipts strategy where appropriate to fund officer time and external advice to facilitate these projects

5 Background

5.1 The council has approved an efficiency plan which was developed in conjunction with the medium term financial strategy to consider ways in which the council can either increase revenue income from its assets or reduce the cost of the operation of its assets. This, together with the proposal to set aside capital receipts to bring about those efficiencies was agreed by this committee in 2016.

5.2 Whilst there are a number of potential projects which the council could pursue to address the issues outlined above, a prudent approach has been taken to

initiate those which can be managed with existing (or moderately enhanced) project resources; further projects are likely to require a development partner for which a procurement exercise will be necessary.

- 5.3 The majority of the proposed projects for which recommendations are outlined in Appendix 1 are either identified in the efficiency report or are outstanding issues which remain to be resolved.
- 5.4 In addition to the efficiency projects, some of the projects involving the development and/or disposal of sites will enhance the council's five year housing land supply position.
- 5.5 Given the potential changes to local government in Northamptonshire, the focus of this report is on the projects members have previously identified as priorities, and projects which can either be completed – or substantially progressed – whilst this authority is in existence.

6 Discussion

- 6.1 Set out in this section are details of each area of land, property or projects which were approved by this committee on 13 June, to allow the Assistant Director clear instruction about where to focus resource:

(Key: E-Expedite – projects that are underway, or on the point of being progressed, that could be committed or delivered within two years. H–High – projects that are high priority and need to be resourced, some of which are close to being delivered, but have/will have longer programmes for delivery of the final outputs. M–Medium - important projects, not yet resourced (in the case of S106 programme a H or M priority will be allocated to each project). L –Low – these projects have not been included on the list due to the limited resources available to deliver).

- (a) **Croyland Hall and Abbey – short term letting (E)**
- (b) **Wellingborough Homes land rationalisation (H)**
- (c) **Croyland Road development site (former swimming pool) - disposal (E)**
- (d) **Doddington Road development site - options (H)**
- (e) **Drill Hall - disposal (E)**
- (f) **Town centre car parking options (H)**
- (g) **London Road chapels - disposal (E)**
- (h) **Redwell Leisure Centre - review (M)**
- (i) **The Tithe Barn- (E)**
- (j) **Homeless accommodation - options (H)**
- (k) **S106 projects, including town centre enhancement (H/M)**
- (l) **Castle Theatre (E)**
- (m) **Crematorium (E)**
- (n) **Multi-storey car park (H)**
- (o) **Asset strategy – disposal and acquisition (M)**
- (p) **Tender for management of the commercial property portfolio (E)**
- (q) **High Street/Jacksons Lane retained land (E)**
- (r) **Road Adoptions/Street Lights and Brooks (H)**

6.2 Since this approval officers have been progressing these projects and have reviewed priorities.

6.3 In addition to this a meeting of the town centre sub-committee was held on 1 October at which the sub-committee resolved to recommend to development committee that the town centre high level review be approved. The sub-committee also agreed that further progress should be made on the following projects identified in the review:

- High St parking
- Mosaic repair and protection
- Multi-storey car park
- Connections into the town centre
- Town centre car parking study, benefits and opportunities
- Council owned assets
- Retail improvements – shop fronts
- Open space study

Therefore this committee is requested to agree the new priority projects list in Appendix 1. This includes changes to the previously agreed list of priority projects in 6.1 above and includes

a) removing the following projects:

- Croyland Hall and Abbey – short term letting: Tresham college has now occupied Croyland Hall to re-establish a teaching base in Wellingborough. They will deliver courses from the building for at least two years while they make a major investment in the main college site at Church Street. The college will not occupy Croyland Abbey which will remain vacant or be available for other temporary uses. Some further work will now be carried out to the Abbey to ensure that it remains fit for occupation and can be re-occupied if needed.
- High Street retained land: work has progressed as part of the car parking work and a draft car parking scheme developed. Further work falls into the town centre car parking study.

b) adding in the following projects:

- The Tithe Barn office building options – work is already progressing.
- 20 Sheep Street to be added as the property has been put on the market.
- Council owned operational assets review
- Retail improvements – shop fronts: work being progressed by the Economic Development and Delivery Officer with the THI Officer.
- Mosaic repair and protection: works progressing to consider the options to report back to the town centre sub-committee.
- Connections into the town centre: a study was proposed as part of the town centre strategic review to identify the connections needed and the quick win projects for consideration.

c) changing the priority of the following projects:

- London Road Chapels - from Expedite to Medium – the disposal is paused whilst the community organisation considers how to progress their interest.
- Tithe Barn Hall – from Expedite to Medium – the business case is being developed by the interested organisations. This is taking more time and resource than they had expected.
- Doddington Road car park – from High to Medium – Planning consent has been obtained. Strategic options for the development of the site can now be considered.

7 Legal powers

The council has full power to manage its property assets under the incidental powers in section 111 of the Local Government Act 1972. Furthermore the council has all the powers of an individual under section 1 of the Localism Act 2011. Accordingly it has full power to carry out the proposed actions.

8 Financial and value for money implications

- 8.1** Requirements for capital investment are outlined in each project, as are potential capital receipts for any sales proposed. Any new proposals for capital investment are processed by the S151 Officer for presentation to members as part of the capital report.
- 8.2** In terms of capital investment there is no proposal for investment unless a business case has been put forward. Business cases will either demonstrate a cost saving, income generation, an improved facility for the borough, or a combination of the three.
- 8.3** Further investment in commercial property will be undertaken as agreed via the capital program, to increase potential revenue income streams.
- 8.4** The level of capital investment in these projects is likely to be significant and extend over a number of years. When planning the delivery of the schemes consideration will need to be given to the position on partial exemption for VAT. A breach of this level could result in significant costs to the council and will therefore be included as a risk in planning the project programme.
- 8.5** The Townscape Heritage Initiative (THI) may be used to support investment in some of the buildings mentioned.
- 8.6** Contracts have been exchanged and deposit received for the sale of 40 Acres of land to the north of Niort Way, Wellingborough for residential development. This has secured a substantial capital receipt that can be used to resource approved priority projects in the council's capital programme.

9 Risk analysis

- 9.1** One of the greatest risks in respect of many of these properties is inaction. A number of the buildings are listed and, even “mothballed”; these are costing the council money in terms of maintenance and repair, but with no return which, in itself, presents an added reputational risk.
- 9.2** Leaving listed buildings unoccupied is expensive as the council has obligations for their maintenance but – at present – no return on that investment.
- 9.3** Since 2011 the council's staffing resources have remained significantly lower than in years gone by, so it is essential to undertake projects which can be run concurrently using existing (or moderately increased) resource. Any further major projects will either need to follow on or be the subject of an agreement with a developer – for which a procurement exercise will be required.
- 9.4** The delivery of property related projects, and particularly those involving the need for agreement with external parties, involves risks affecting the timing and delivery of outcomes. Project management techniques identify and manage those risks where possible.

10 Implications for resources

- 10.1** Significant officer resources will be required to make these projects a success, but the need to maximise the council's assets may be regarded as an appropriate use of such resources. Recruitment to approved vacant posts in the Property and Projects team is ongoing. In January 2019, five posts will have been filled with new members of staff. Four are in post as this report is published.
- 10.2** The committee is asked to agree the use of the flexible use of capital receipts strategy to fund staff resources and external advice as appropriate to deliver these projects. The strategy is elsewhere on this committees agenda.

11 Implications for equalities, and stronger and safer communities

There are no direct implications for equalities, or stronger and safer communities.

12 Author and contact officer

Adrian Piper, Assistant Director (Corporate Landlord)

13 Consultees

Liz Elliott, Managing Director
Julie Thomas, Director
Paul Burnett, Property and Projects Manager
Victoria Phillipson, Principal Property and Projects Manager

Vicki Jessop, Assistant Director
Karen Denton, Assistant Director

14 Background papers

Documentation in relation to viability of potential developments.
Correspondence with interested parties or contractors.

APPENDIX 1 - Property Projects - November 2018

Project	Priority	Manager	Other resources	Comment
Croyland Road development site (former swimming pool) - disposal.	Expedite	Adrian Piper - Underwood's	Estates Officer	Outline planning consent has been granted for residential development on the site of the former swimming pool. The council's property management contractor, Underwood's have marketed the site and are working with officers to identify a preferred bidder.
Drill Hall - disposal.	Expedite	Adrian Piper - Underwood's	Estates Officer	This site has been marketed as agreed by the committee in March 2018. A number of offers were received. The first preferred bidder has been unable to submit an acceptable outline scheme for consideration. A structural survey has been obtained and a report from an infestation and rot specialist
20 Sheep Street – disposal.	Expedite	Adrian Piper - Underwood's	Estates Officer	Following the decision of the committee to dispose of this property, Underwood's have been instructed to place it on the market. Architects are preparing plans to submit for outline planning consent prior to disposal.
Retail improvements – shop fronts.	Expedite	James Murray	THI Officer and Project Support Officer	The council received some money from the S106 agreement for Rushden Lakes to fund town centre events and further shop front improvements, in addition to the Townscape Heritage Initiative (THI) and other town centre improvements. The criteria for these grants were agreed at the Town Centre Sub-committee on the 1 October.
Mosaic repair and protection.	Expedite	Alice Arden-Barnatt	Project Support Officer	There are two mosaics in the town centre at Market Street; the 'Twin Towns' and the 'Five Wells'. Both have been damaged since they were last repaired in 2015. The damage is thought to be caused by vehicles and associated deliveries to business premises. The Town Centre Sub-committee has approved repairs to the Five Wells mosaic using existing budgets and further work by officers to establish options for future protection of the mosaics.
Castle Theatre.	Expedite	Paul Burnett - Underwood's	Project Co-ordinator and Project Support Officer	the operational contract has been let to Parkwood – although the contract has not yet been signed - and some work has already been completed on the building (as agreed by the committee in December 2016). Discussions are ongoing with Parkwood to complete the remainder of the work.
Crematorium.	Expedite	Paul Burnett - Underwood's	Project Co-ordinator and Project Support Officer	Efforts continue to resolve concerns about the cooling of the chapel and working areas; this has been regarded as a defect and a solution is actively being pursued by the property and projects team. The purchase of the memorial wall has now been tendered and is in the process of being awarded, and the skylight ordered so this capital project will be in a position to progress shortly.
Tender for management of the commercial property portfolio.	Expedite	Adrian Piper	Project Support Officer	The council's commercial property brings in rental income of approximately £1.65M per annum gross. The net rent, once management and other costs have been deducted, supports the revenue expenditure of the council. Officers have been working on preparations, as agreed, and a tender specification is being prepared, at the same time as advice in relation to the extension of the existing contract. A further report will be presented once this has progressed further.
Knox Road car park	Expedite	Adrian Piper - Underwood's	Estates Officer	Underwood's have been working to dispose of this site for social housing. Wellingborough Homes have expressed an interest in developing this site and a disposal to them as part of the land transfer is being discussed.
Wellingborough Homes land rationalisation.	High	Paul Burnett	Project Support Officer	The valuations are complete and a report will be submitted once these have been fully reviewed and discussed. In the interim, members agreed to "the provision of a binding commitment to enable Wellingborough Homes to progress the developments proposed under the "land for homes" scheme relating to Milner Road, Finedon; Penrith Drive and Nest Farm Road, Wellingborough." This will release the development sites mentioned on the understanding that the means by which Wellingborough Homes acquire those sites will be agreed as part of the decision on land rationalisation. Solicitors have been instructed to progress these disposals.

Town centre car parking study – benefits and opportunities – including High St (H)	High	Victoria Phillipson - Pick Everards	Property and Projects Manager, Project Co-ordinator and Project Support Officer	Since approval of the planning application by Keepmoat at the High Street, a review of options has been commissioned on the retained land adjoining the High Street. An indicative layout for car parking was brought to the Town Centre Sub-committee on 1 October 2018. The sub-committee approved further work on this and any recommendations will then be made to the Development Committee, with financial or other resource implications raised at a future Resources Committee. The town centre parking study which informed the Plan for the Borough of Wellingborough will be further updated in late 2018, early 2019 to identify usage and the estimates of car parking need going forward.
Homeless accommodation - options.	High	Paul Burnett - Underwood's	Estates Officer, Housing Development Officer and Project Support Officer.	Homeless accommodation: The purchase of houses to be used for temporary accommodation is progressing and the first three purchases have completed.
Multi-storey car park.	High	Victoria Phillipson/ Marsha Allen	Project Co-ordinator and Project Support Officer	A capital programme bid for resources to refurbish the car park has been submitted.
Tithe Barn Hall.	Medium	Paul Burnett	Project Support Officer	Officers have requested a business case from one of the interested parties as a request for capital to bring the whole building into use is likely. A draft business case has been received which explains the proposal and the input requested from the council, but officers have asked for further detail and more work to be carried out on this.
London Road chapels - disposal.	Medium	Adrian Piper - Underwood's	Estates Officer	Representatives of a community organisation interested in their potential use have viewed the chapels and they are considering their options.
Doddington Road development site - options.	Medium	Adrian Piper - Pick Everards	Estates Officer	Outline planning consent has been granted for residential development which is currently a staff car park. A viability report will be submitted to the committee so that members are in a position to consider whether to retain the site for private rented accommodation, or to dispose of it.
Tithe Barn office building – options.	Medium	Adrian Piper - Pick Everards	Property and Projects Manager, Project Co-ordinator and Project Support Officer	Consultants have drafted a phase 1 feasibility study identifying options for converting the Tithe Barn Road offices into residential accommodation. Further phases of the study will estimate the capital cost of carrying out the conversion works and evaluate the viability of each option in the residential market for rent or sale. The county council has vacated the building. Were this project to go ahead the housing and revenue and benefits services would need to relocate. This move is unlikely to take place before mid-late 2019, assuming planning permission could be obtained. An initial desktop study indicates that teams currently located in Tithe Barn Road offices could be relocated in Swanspool House and Croyland Abbey. A further report will be brought to members in due course.
Redwell Leisure Centre - review.	Medium	Gill Chapman/ Alice Arden-Barnatt	Property and Projects Manager, Project Co-ordinator and Project Support Officer	Planning permission for the 3G pitch was granted on 18 April 2018 and funding has been confirmed by the Football Foundation to allow work to start on discharging conditions and for an estimated start on site early 2019. Officers are currently in discussion with the leisure provider, Places Leisure, in relation to the future potential of the Redwell site. A further report will be brought to Services Committee, and then to this committee if there are financial implications to consider, about the future of the leisure centre.
Council owned assets.	Medium	Adrian Piper - Underwood's	THI Project Manager, Project Coordinator and Project Support Officer	Further work is being carried out to assess the viability of attracting external funding, to match fund council investment in council owned property in the town centre.

Connections into town centre study and quick wins.	Medium	Alice Arden-Barnatt - Pick Everards and Project Co-ordinators.	Property and Projects Manager, Project Co-ordinator and Project Support Officer	The town centre high level review identifies that connections and signposting of connections in the town centre should be improved and was approved by the Town Centre Sub-committee. It is proposed that a brief feasibility study be procured to identify where there are gaps/weaknesses in connections and how these can be resolved. This will then identify quick wins for linking together areas, destinations and assets, improve links to car parks, railway station, bus stops to encourage visits to town centre.
Asset strategy – disposal and acquisition.	Medium	Adrian Piper - Underwood's	Project Co-ordinator and Project Support Officer	Whilst further disposal/acquisition is not ruled out, should any additional properties be identified there would need to be a sound business case which supports the council's objectives and provides value for money before any action could be taken.
Road adoptions, streetlights and brooks.	Medium	Victoria Phillipson/ Marsha Allen	Project Support Officer	Work is progressing on the council-owned road adoptions at Redhill Farm with any snagging work being identified by NCC at the moment. The negotiations on the legal adoption agreement are progressing well. The Technical Officer is now in place and is reviewing the position with street lighting and brooks to identify if any immediate works need to be done, to monitor the situation, save money or improve efficiency and report back as necessary. A capital bid has been submitted for replacing the current street lights to improve emergency efficiency and reduce electricity costs.
S106 projects, including town centre enhancement and open space study.	Medium	Victoria Phillipson/ Alice Arden-Barnatt	Project Co-ordinator and Project Support Officer	A review of the town centre S106 projects is being undertaken which will be reported to the Town Centre Sub-Committee. A report is to be commissioned to undertake a review of the quality of the council's open spaces/parks and play areas and identify where improvements are needed and the cost of these. This work will inform/ help to develop projects for S106 spend or external funding and input into the council's planning policy on open space to be started later this year.

