

PROPERTY MATTERS

1 Purpose of report

To provide an update to members on the report submitted to the committee on 17 December 2019.

2 Executive summary

The report provides an update in relation to ongoing approved projects identified in Appendix 1 – current projects.

3 Appendices

Appendix 1 – Current projects.

4 Proposed action:

The committee is invited to RESOLVE to

- 4.1 note progress with regard to the projects outlined in Appendix 1.**
- 4.2 approve the disposal of the site of the former Croyland Road swimming pool to the preferred bidder on the terms set out in paragraph 6.4 of this report.**
- 4.3 approve the disposal of the site of the Doddington Road car park to Greatwell Homes on terms to be agreed.**
- 4.4 delegate to the Assistant Director (Corporate Landlord) the authority to agree the detailed terms of the disposal of both sites.**

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 large scale 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 planned 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 At the meeting of the committee on 12 December 2018, a revised list of projects and priorities was agreed. These projects are now being progressed and project documentation is in place to better enable future monitoring. This is also assisting communication with regard to progress and the reporting, by exception, of changes and issues that require a steer or a decision. Officers have set up a project board to support the governance of projects. Reports seeking approval for key changes in priorities or projects will continue to be made to the resources committee.
- 6.2 A summary table including the current, previously agreed, projects appear in Appendix 1. These are updated monthly by the project managers. This does not change the priorities previously agreed by members. However, it does ensure public transparency regarding how council resources are being used to invest in projects to improve Wellingborough.
- 6.3 A more robust project management framework and structure to reporting enhances this transparency and gives members a clear direction of travel on the progression of projects, and the use of resources, throughout the year.
- 6.4 **Site of former Croyland Road swimming pool**
 - 6.4.1 This cleared site was marketed with outline planning consent for residential development of 20 dwellings (access, scale and layout) determined at this stage (planning reference WP/18/00153/OUT). A preferred bidder was selected to develop the site. The proposed developer is a housing association (registered provider) and they intend to develop the site with 100% affordable housing. They also wish to increase the number of housing units on the site, subject to planning consent, to 24 homes.

- 6.4.2 Planning policy requires the developer to enter into a S106 agreement with the council. The policy is only able to secure 30% affordable housing from the scheme and any necessary contributions towards infrastructure/community facilities to mitigate the effects of the development i.e. schools, doctors' surgeries, open space and sports hall etc. Developing the site with 100% affordable housing will reduce the residual land value and, therefore, the capital receipt from the freehold disposal. It is not an option to reduce the requirement for S106 contributions, as this would be contrary to planning policy.
- 6.4.3 Due to the proven high level of need for affordable housing in Wellingborough the council would be justified in agreeing to a reduced residual value for the land in order to increase the supply of affordable homes in the borough. At the time of writing there are 388 on the register with a housing need who have a local connection to Wellingborough Town Centre.
- 6.4.4 The housing association will be required to enter into a deed to enable the council to nominate people and families from the waiting list to be housed in the scheme. A combination of a capital receipt, additional affordable housing and nomination rights meets the requirements of 'best consideration' for the council as defined by S123 of the Local Government Act 1972. The committee is asked to approve the sale of this site to the preferred bidder, subject to detailed terms being agreed by officers.

6.5 Site of Doddington Road car park

- 6.5.1 Outline planning consent has been obtained for a residential development of 12 flats on this site. At the Resources committee meeting on 25 September 2019 approval was given to proceed with the transfer of land to Greatwell Homes, to enable both investment in the amenity land on the housing estates, and to better enable future development, subject to planning consent. During negotiations with Greatwell Homes regarding the larger land transfer it has been agreed, subject to formal approval, to transfer this site to them for residential development.
- 6.5.2 Greatwell Homes have indicated that they intend to deliver the consented scheme, but details regarding tenure mix and nomination rights have yet to be agreed. Bringing forward this site for development would further contribute to the supply of affordable housing needed in the town centre. The committee is asked to agree in principle to the transfer of this site to Greatwell Homes, subject to detailed terms being agreed by officers.

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. Section 123 of the Local Government Act 1972 requires councils to obtain 'best consideration' for any interest in land disposed of exceeding a term of 7 years. 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 programme, to increase potential revenue income streams. An investment strategy for the acquisition of additional commercial investment property has been agreed.
- 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. The Heritage Lottery Fund has agreed that the scheme will now be extended until July 2020.
- 8.6 The sale of 40 Acres of land to the north of Niort Way, Wellingborough for residential development 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 the Property and Projects team is ongoing with the majority of posts filled. Additional specialist resources are being procured on a project by project basis from external consultants. If additional permanent or fixed term resources are required to enhance the team a further report will be brought to the committee.

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
Shaun Darcy, Director
Eric Symons, Assistant Director
Vicki Jessop, Assistant Director
Karen Denton, Assistant Director
Victoria Phillipson, Principal Property and Projects Manager

14 Background papers

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

Borough Council of Wellingborough Project Register Property & Projects - Current Projects

No. (Capital budget code)	Project Name	Priority	Summary	Project Manager/s	Original Project/stage end date	Revised Project/stage end date	Capital/Revenue	Project status (R/A/G)	Latest update January 2020
PP003 (J122)	Street Furniture & Market	Expedite	Relocation, refurbishment and promotion of the market.	Denise York, Project Co-ordinator	Oct-19		Both	G	22.01.2020 - Complete - Further consideration is being undertaken for the ground anchoring system as part of a wider project.
PP010	Croyland Road development site (former swimming pool)	Expedite	Disposal of site with planning permission.	Adrian Piper, Assistant Director & Underwoods	Dec-19	Jul-20	Capital	A	16.01.2020 - The site remediation and S106 costs are currently being reviewed with a view to agreeing the land price with the purchaser. The purchaser is preparing to submit a planning application in late January 2020.
PP012	Drill Hall - disposal	Expedite	Disposal of site.	Adrian Piper, Assistant Director & Underwoods	Dec-19	Oct-20	Capital	A	16.01.2020 - Heads of terms have been agreed with the purchaser. A staged approach to seeking planning consent is estimated by the purchaser to take up to 5 months to complete. It is proposed to retain and extend the existing buildings.
PP018	43/44 High Street	Expedite	Bringing back upper floors into use.	Dewa Hopson, Estates Officer	Sep-19	Mar-20	Capital	G	16.01.2020 - Planning permission granted, lease heads of terms agreed with Amicus. Scheme redesign complete contractor procured. The lease terms are being finalised between solicitors to allow a start date to be confirmed.
PP021	20 Sheep Street - disposal	Expedite	Disposal of site with planning permission or for re-use as offices.	Adrian Piper, Assistant Director and Underwoods	Dec-19	Mar-20	Both	G	16.01.2020 - Offer has been accepted subject to contract and due diligence checks.
PP024	Retail improvements - shop fronts	Expedite	Providing grants for shop fronts.	James Murray, Economic Development and Delivery Officer	Mar-21		Capital	G	16.01.2020 - A number of applications have been received and are being assessed.
PP026	Street Lighting replacement	Expedite	Replacement of bulbs in BCW owned street lights.	Adam Bracewell, Project Officer	Mar-20	Jul-20	Capital	G	16.01.2020 - Specification and procurement plan are being developed to confirm estimated costs and timescales.
PP033	Crematorium Green Infrastructure	Expedite	Design and delivery of pathways and gardens as the Crematorium.	Victoria Phillipson, Property and Projects Manager	Sep-21		Capital	A	24.01.2020 - Standpipes have been installed and footpaths around the Scattering Lawn delayed to Spring due to cold weather. Project Scope for footpaths and gardens are being confirmed to allow procurement to proceed.
PP001 J037	Redhill Farm - Roads & Sewers	High	Get unadopted roads, sewers and cycle ways adopted.	Victoria Phillipson, Property and Projects Manager	Jun-19	Mar-20	Capital	A	16.01.2020 - Sewers have been adopted by Anglian Water. All information submitted to NCC and plans agreed, waiting for confirmation of the next stage of the process.
PP002 (J100 & J151)	Wellingborough Townscape Heritage Initiative (THI)	High	To provide grant funding to critical/key buildings, shop fronts and other buildings in the Town Centre for restoration and refurbishment.	John Udall, THI Project Manager	Oct-19	Jul-20	Capital	A	24.01.2020 - The Hind Hotel contractors has gone into administration, the Hind Hotel, the Heritage Lottery Fund and BCW are working together to agree a way forward to complete this work. Other works need to be completed by July 2020, HLF have confirmed formally that the end date is extended from October 31 to July 2020.
E692	Castle Theatre Carpark	Medium	To resurface damaged sections and refurbish other areas of the car park.	Adam Bracewell, Project Officer	May-20	May-20	Capital	G	24.01.2020 - Quotes have been sought for works to allow this £20k of S106 funding to be spent.
PP007	High Street Developer Procurement	High	To procure a developer for the High Street/Jacksons Lane site.	Victoria Phillipson, Property and Projects Manager	Jul-19	Jul-20	Both	A	17.01.2020 - No change - Planning approved at Committee subject to completion of a S106. Keepmoat have undertaken site investigations, information has been provided to the council. Discussions progressing to allow a report to Council.
PP027	Greatwell Homes land rationalisation	High	Agreement to sell land	Adrian Piper, Assistant Director and Underwoods	Sep-19	Mar-20	Capital	G	24.01.2020 - Development sites have been transferred. Further work progressing on the detail of the arrangement. Resources committee approval confirmed and work progressing on transferring the land.
PP015	Multi-storey car park	High	Work to refurbish car park.	Errol Browne, Programme Manager	Sep-20	Dec-20	Capital	A	20.01.2020 - Scheme delayed in order to go to Resources Committee in Feb to approve further scope and additional funding.
PP019	BCW owned properties - flats over shops	Medium	Bringing flats back into use.	Dewa Hopson, Estates Officer	Dec-19		Capital	G	02.12.2019 - HDA Architecture appointed to progress with planning and building regulation application. Pre-App submitted and meeting to be arranged with planning.
PP006 (J153 & J143)	Bassett's Park Skate Park and Bassett's Close S106	Medium	Skate park facilities and other related facilities.	Raj Gill, Project Co-ordinator	Mar-20		Capital	G	24.01.2020 - Contacted skaters to identify the possible design for the skate park facilities. A report is being drafted on the findings from issues raised at a previous meeting and a capital bid has been submitted for the whole park improvements for Bassett's Park.
PP008	Tithe Barn - Public Realm	Medium	Open Space outside the Tithe Barn	Denise York Project Co-ordinator	Nov-19		Both	G	22.01.2020 - Phase 1 Works to start on site shortly. Scheme for phase 2 and 3 to be taken to Development Committee.
PP028	Stanton Cross Community Centre	Medium	Consider options to deliver a community centre on Stanton Cross	Victoria Phillipson, Property and Projects Manager	Ongoing		Capital	G	17.01.2020 - Workshop attended by all parties interested in the Neighbourhood centre to review how this can be progressed. Once a possible scheme has been identified discussion can take place with possible operators. Discussions ongoing with NCC regarding the school location and integration with the community centre.
PP011	Doddington Road development site	Medium	Disposal and redevelopment	Adrian Piper, Assistant Director, and Underwoods	Dec-18	May-20	Capital	G	16.01.2020 - Outline planning consent has been granted for residential development. Initial discussions are taking place with a view to bringing the site forward for development.
PP029	Croyland Gardens	Medium	Improvements to the public realm - connecting green space to the town centre. Croyland Gardens landscaping.	Raj Gill, Project Co-ordinator	Nov-20		Capital	G	24.01.2020 - Norse have undertaken some initial clearance and concept designs will be reported to Development Committee.
PP020	Digital High Street	Medium	Identifying and implementing the options for the WDYT campaign and other schemes to improve the digital presence in the town centre.	James Murray, Economic Development and Delivery Officer	TBC		Both	G	22.01.2020 - No change - project plan to be produced
PP030	Office space review	Medium	Consider options for building use for staff.	Victoria Phillipson, Property and Project Manager	TBC		Both	G	22.01.2020 - Project Plan has been developed. Report and plan being drafted for SMT to consider.
PP031	Park Improvements	Medium	Improve the parks and provide better facilities	Raj Gill, Project Co-ordinator	Apr-20	May-20	Both	G	24.02.2020 - Parks play equipment tenders received to award a contract for works by 31st Jan 2020.
Key									
R	Project not started/at significant risk of non-delivery								
A	Project on hold/at slight risk of non-delivery or delay								
G	Project in progress and on target								
F	Project on hold								

