

Report of the Director**High Street/Jacksons Lane Site****1 Purpose of report**

This report provides an update on the High Street/Jacksons Lane site and seeks in principle approval to enter into a conditional contract with Keepmoat Homes to enable them to purchase the site for residential development. Approval is also sought to approve the indicative surface car park scheme should the contract be entered in to.

2 Executive summary

- 2.1 Following the decision at council in July 2015 to continue with the current Keepmoat scheme, excluding the Queens Hall, Drill Hall, and proposed surface level car park from the land to be sold, draft terms were agreed with Keepmoat and presented to resources committee on 29 June 2016.
- 2.2 Upon consideration the matter was referred by members to council where it was discussed on 26 July 2016. A decision was made to delay considering this until the scheme had been considered by the planning committee. The scheme went to planning committee on 18 April 2018 and was approved subject to a S106 agreement which was completed in April 2020.
- 2.3 A report was approved on 1 October 2019 at the town centre sub-committee agreeing a replacement car parking scheme. This was reported to full council on 28 November 2018 and development committee on 4 February 2019.
- 2.4 Following the grant of planning consent, Keepmoat indicated that they would prefer to seek consent for an alternative scheme. To this end, Keepmoat submitted a pre-application inquiry and have received a detailed response on 22 September 2020. This response will be discussed between Keepmoat and planning officers, with the objective of reaching the point where an application can be submitted that officers are able to recommend for approval.
- 2.5 In order to protect both the council's interests and the further investment of Keepmoat in this development site, it is necessary for a decision to be made to sell the site to Keepmoat subject to contract.

3 Appendices

Appendix 1– High Street/Jacksons Lane background document

Appendix 2 – High Street/Jacksons Lane land transfer plan

Appendix 3 – Keepmoat Letter and appendices

Appendix 4 – Indicative car parking scheme

4 Proposed action:

It is proposed that members RECOMMEND to approve:

- 4.1 The disposal of the High Street / Jacksons Lane site, subject to contract, to Keepmoat Homes for the purpose of residential development at an agreed price plus overage.**
- 4.2 To delegate to the assistant director (corporate landlord) the responsibility for agreeing the terms of the contract for disposal.**
- 4.3 That the approved indicative scheme in Appendix 4 for a new surface car park of approximately 200 spaces be reviewed and a capital bid submitted for its construction.**

5 Background

- 5.1 The High Street/Jacksons Lane site occupies a strategically important location on the edge of the town centre. The area which the council agreed to progress to sell is identified in Appendix 2 and was agreed at the council meeting on 21 July 2015, this excludes the Queens Hall, Drill Hall, and the proposed surface level car park.
- 5.2 Appendix 1 provides a summary of the background of the history of this site.
- 5.3 The council undertook a procurement process via the Homes and Communities Agency (HCA) Delivery Partner Panel. The outcome of this was the selection of Keepmoat as the council's 'preferred developer' in March 2012.
- 5.4 Following the agreement of the heads of terms at resources committee on 11 July 2012, officers and the council's professional legal and commercial advisors (Pinsent Masons and Deloitte) negotiated a draft agreement with Keepmoat. This process was protracted as a result of the scheme being subject to a number of design iterations, as a result of both planning feedback and evolving market conditions.
- 5.5 A planning application submitted by Keepmoat on 1 October 2012 for 133 dwellings, a multi-storey car park and retail use excluding the Queens Hall and Drill Hall (Ref: WP/2012/0445/FM) was refused on 3 April 2013.
- 5.6 It should be noted that there was a delay in progressing the scheme, and the draft legal agreement with Keepmoat, which was partly due to a speculative expression of interest in the site from a retail development company which did

not result in any formal proposal or offer being made..

- 5.7 A revised planning application was received on 14 March 2014 for 109 dwellings, 39 affordable apartments within an independent living facility (ILF) built on the site of the demolished Drill Hall, a new public plaza adjacent to High Street, and at least 170 public surface level parking spaces (Ref: WP/14/00175/FUL).
- 5.8 A report was taken to the council meeting on 21 July 2015 which considered four options for the site and resolved that option B be progressed; i.e. the current Keepmoat scheme, but excluding the Queens Hall, Drill Hall and proposed surface level public car park from the area of land to be sold to Keepmoat. This could then, if desired, facilitate a separate larger leisure/retail development. It was agreed that the retained land would be considered for other uses and a report brought back to committee at the appropriate time.
- 5.9 Following the council meeting on 21 July 2015, officers took further advice from its legal advisors Pinsent Masons who suggested that a sale agreement would be the best form of contract to enter into with Keepmoat. This was reported to resources committee on 29 June 2016 to seek approval to complete an agreement to sell the land to Keepmoat. At this meeting members decided to refer this decision to the council meeting on 26 July 2016 where it was agreed that 'the amended plans for the site were progressing through the planning process and the intention was that the application would be determined before a further report would come back to council'.
- 5.10 Following further amendments and consultation the planning application (WP/14/00175/FUL) for the reduced site (excluding Queens Hall, Drill Hall and surface level card park) was approved at planning committee on 18 April 2018 subject to the completion of a S106 agreement. The S106 agreement was completed in April 2020.
- 5.11 The development of this site would make an important contribution to meeting Wellingborough's housing delivery targets set out in the North Northamptonshire Joint Core Strategy (JCS). The most recent update of the councils five year housing supply report published in August 2020 estimates that this site will provide 26 dwellings in 2023/24, 44 dwellings in 2024/25 and 44 dwellings in 2025/26.

6 Discussion

- 6.1 Following the decision of the planning committee, officers continued discussions with Keepmoat and requested further financial information.
- 6.2 Officers also instructed the sale of the Drill Hall and 8a High Street as agreed at resources committee on 1 March 2018 and this sale was completed on 28 August 2020.
- 6.3 Keepmoat remain committed to this scheme, see attached letter in Appendix 3, and during discussions Keepmoat suggested they would like to consider a revised scheme. It was agreed that they would seek pre-application planning

advice on the revised scheme.

- 6.4 As identified in Appendix 3 the revised scheme has changed to amend the mix of houses to meet the local demand from under 35's which can support the night time economy, increased the number of units, enlarged house sizes, increased the affordable housing and made changes to make this a better place to live in particular in relation to parking and gardens.
- 6.5 A pre-application request was submitted at the end of July 2020. Planning officers have consulted stakeholders on this, and it has been discussed at the council's design surgery, following this the planning department has provided comments. In summary the comments provided are:

'The site is allocated in the Plan for the Borough of Wellingborough (PBW) and the residential development of the site is therefore fully supported in principle and would make an important contribution to meeting the housing delivery targets set out in the North Northamptonshire Joint Core Strategy (JCS).

The design and layout of the scheme needs to be amended to take into account comments provided from Northamptonshire highways, Northamptonshire police, the principal urban design consultant, the conservation consultant and the council's landscape officer and the policy requirements in terms of its impact on the historic environment. In particular permeability across the site needs to be addressed as does parking, visibility and access by both vehicles and pedestrians and the typology of housing being proposed. A virtual teams meeting has been held with the agent and consultees to discuss changes required to be made to the scheme and understand the constraints on the site. An amended pre-application enquiry scheme is likely to be submitted for consideration in the future.

Any full application should be in full compliance with the National Space Standards, category M4 (2) of the national accessibility standards (5% of the dwellings should be to category M4 (3)) and water use standards in accordance with policies 9 and 30 (b) and (c) of the JCS.

The proposed level of affordable housing is 30% would meet the requirement under policy 30 (d) of the JCS. In terms of other housing mix this would need to be considered as the current requirement is to provide smaller units specially 1-3 bedrooms under policy 30 (a) (i) of the JCS. For schemes of 50 or more dwellings to include housing to meet the needs of older persons (the precise type and tenure mix should take into account the evidence of local need, the scale and location of the site and the viability of the development) under policy H3 of PBW and for the provision of 5% of the plots to be made available for self-build or custom build (taking into account evidence of local need, the nature of the development proposed and the viability of the development) under policy H5 of PBW.

A proposal of this scale would be required to either provide open space and sports pitch provision on site or a contribution towards open space and sport provision off site. Open space should be designed as a fundamental part of the

design concept for the scheme, conserve and where possible enhance the character and qualities of the local landscape.

An up to date parking study of Wellingborough Town Centre and parking layout for re-provision of public parking adjacent to the development should accompany any detailed planning application.

Contributions to other infrastructure, services and facilities in relation to education and health facilities to meet the needs arising from the development will also be required. If viability is an issue, then a viability statement will need to be submitted and assessed by a suitably qualified consultant appointed by the council.

Officers could be supportive of a policy compliant full planning application which is accompanied with the appropriate documents (list provided). It is suggested that following from the comments received from consultees that the layout needs to be amended to address the points raised and a design meeting has been held to discuss the changes required to the proposed layout and elevational treatment necessary to make the proposed scheme acceptable. Further discussions may be necessary in relation to replacement parking provision/any revised town centre parking strategy and viability'.

- 6.6 Since receiving these comments Keepmoat have had further discussions with planning officers and have agreed the changes they can make to improve the design and layout to address the pre-application comments received.
- 6.7 The comments from planning officers also identified the estimated section 106 costs. Keepmoat has advised officers that it does not consider it viable to meet all of these costs, without either reducing its profit return to an unacceptably low level or reducing the land receipt payable to the council. Keepmoat has therefore appointed Savills to prepare a financial viability assessment to seek to justify both a lower level of S106 contributions and to justify the proposed affordable housing tenure mix. On receipt of that viability assessment further discussions between Keepmoat and planning officers are likely to take place in an attempt to reach an agreement on the level of contribution to be sought.
- 6.8 As identified in the exempt Appendix 5 Keepmoat have made a financial offer for the site which it is proposed that this payment will be made in three instalments. In addition, Keepmoat has agreed to enter into an overage agreement, which would require additional payments to be made in the event that either the quantum of floorspace and/or achieved sales values exceeded pre-determined thresholds.
- 6.9 The Deloitte report provided at the exempt Appendix 5 offers a commentary on the Keepmoat appraisal and proposed terms of sale. Having regard to the affordable housing requirements sought and specific characteristics of the site, it concludes that the Keepmoat proposal is a good offer in line with prevailing market conditions. Approval is therefore sought to accept this offer. If this is approved officers will work with its legal advisors to enter into a legal agreement for the sale of the land the area of which is identified in Appendix 2. If planning permission is granted for this site, the council would also receive the S106

contributions in addition to the capital receipt.

- 6.10 Approval is also sought for officers to review the previously agreed indicative car parking scheme in Appendix 4 and submit a capital bid for this if the disposal of this land is agreed.

7 Legal powers

- 7.1 S123 of the Local Government Act 1972 grants powers to a local authority to dispose of land which it holds at the best consideration that can reasonably be obtained.
- 7.2 S233 of the Town and Country Planning Act 1990 grants powers to the local authority to dispose of land in such manner and subject to such conditions as appear to them to be expedient in order to secure the best use of that land or to secure the construction of any buildings or works that appear to be needed for the proper planning of the area of the authority.
- 7.3 The report seeks authority to dispose of the land at the best consideration that can be reasonably obtained, as detailed in Appendix 5.

8 Financial and value for money implications

- 8.1 The staff and consultant's costs for this work are covered under existing budgets.
- 8.2 The Deloitte report in exempt Appendix 5 confirms that the financial offer made by Keepmoat represents an acceptable basis upon which to seek to conclude the terms of sale.

9 Risk analysis

- 9.1 There is a risk that an agreement is reached with Keepmoat but that the development is not progressed and/or planning permission is not achieved. The legal agreement would need to include clauses to ensure that the sale does not complete until planning consent is granted, and that the site is returned to council ownership if the housing development is not delivered.
- 9.2 If agreement is reached with Keepmoat, but they are unable to agree a value for s106 contributions and affordable housing mix that is supported by the viability advice they have procured, they may try to renegotiate the land price. This would be resisted.
- 9.3 If agreement is reached with Keepmoat, they may seek to implement the extant planning permission. The council is seeking legal advice on how this risk can be mitigated.
- 9.4 If the sale does not proceed then this site would need to be re-marketed which would delay the development of this site and require investment in the site to ensure it is safe.
- 9.5 If the sale does not proceed Keepmoat may seek to recover abortive costs from

the council. Legal advice has been obtained with a view to mitigating this risk.

10 Implications for resources

There are no specific implications for staffing resources flowing from this report.

11 Implications for stronger and safer communities

The redevelopment of this site will provide a healthier, safer environment and bring a neglected area of the town back into use as a vibrant community.

12 Implications for equalities

An equalities impact assessment has been undertaken for the High Street/Jacksons Lane site and identifies no negative impact.

13 Author and contact officer

Adrian Piper, Assistant Director (Corporate Landlord)

14 Consultees

Liz Elliott, Managing Director
Shaun Darcy, Executive Director
Karen Denton, Assistant Director
Eric Symons, Assistant Director
Vicki Jessop, Assistant Director
Victoria Phillipson, Principal Property and Project Manager

15 Background papers

Procurement process documentation and tender submission.
The High Street/Jacksons Lane development brief.

