



North Devon Council

Report Date: Monday, 3 July 2023

Topic: Seven Brethren project – Land Release Fund: An update

Report by: Head of Place, Property and Regeneration

1. INTRODUCTION

- 1.1. In November 2017 North Devon Council (NDC) were awarded £2.2 million of Land Release Fund to help bring forward residential development at Seven Brethren. This fund is a government initiative to assist in unlocking public sector sites and accelerating the delivery of housing.
- 1.2. Hybrid planning permission for the provision of a replacement long stay car park and temporary toleration site (detailed) and for 180 dwellings together with all associated infrastructure (outline) was granted on the 15th November 2022.
- 1.3. On the 7th December 2022 NDC entered into a Development Agreement with Tarka Living Ltd to deliver both the enabling works and the delivery of between 175 and 180 homes.
- 1.4. We have previously sought Member agreement to enter into the Development Agreement but there are other property related agreements that will be required for some works to continue; namely release of the second lease and the signing of the contract for the delivery of the car park (both of which the Development Agreement requires to happen). These are the next stages for this development and this report provides visibility to Members of those next steps.

2. RECOMMENDATIONS

- 2.1. For Members to note the update for this project.
- 2.2. For Members to provide delegated powers to Head of Place, Property and Regeneration, in conjunction with the Leader and Lead Member for Strategic Planning and Economic Development to:
 - 2.2.1. enter into a licence with Barnstaple Town Council based on the principles set out in this report;
 - 2.2.2. in consultation with the Senior Solicitor and Monitoring Officer, enter into a contract for the delivery of a new long stay car park to allow for the development of the existing site; and
 - 2.2.3. in consultation with the Senior Solicitor and Monitoring Officer, enter into a lease for the second lease land at the Seven Brethren Bank site as shown on the plan in Appendix A to this report.

3. REASONS FOR RECOMMENDATIONS

- 3.1. This is a significant project for NDC and so it is important that Members are aware of the project's progress.
- 3.2. The Fair site is moving to the new long stay car park as part of this project in line with a letter of comfort provided by Barnstaple Town Council in 2021. The License has been discussed with Barnstaple Town council and The Showmen's Guild but we don't have a complete license to share. Providing the principle set out in this report are followed, officers are requesting delegated powers to enter into the License.
- 3.3. We have previously sought Member agreement to enter into the Development Agreement but there are other property related agreements that will be required for some works to continue; namely the second lease and the signing of the contract for the delivery of the car park (both of which the Development Agreement requires to happen). These are the next stages for this development and this report provides visibility to Members of those next steps.

4. REPORT

- 4.1. On the 7th December NDC entered into a Development Agreement with Tarka Living Ltd to deliver both the enabling works and the delivery of between 175 and 180 homes on Seven Brethren.
- 4.2. The site for the residential development comprises the old leisure centre site, events area, existing toleration site and the Tarka overflow car park.
- 4.3. The new long stay car park will be sited adjacent the Artificial Grass pitches to the rear of the Tarka Leisure Centre.
- 4.4. The enabling works constitute the demolition of the old leisure centre, provision of the new long stay car park and temporary toleration site and the erection of flood defences along the river Taw. The flood defences take the form of a wall tying in to the existing long bridge and then a bund to the new leisure centre. The majority of these defences are those required as a result of the Anchorwood development but are also needed to bring this site forward for housing. There is a contribution from the Anchorwood development that will be used towards the delivery of these defences.
- 4.5. The Development Agreement that was entered into in December was conditional and there were 3 conditions attached, as follows:
 - 4.5.1. The submission of reserved matters,
 - 4.5.2. The provision of a plan showing the location of affordable housing (being 30% of the Dwellings in the development in a split of 30% Shared Ownership Units and 70% Social Rent Units) and
 - 4.5.3. Agreed Heads of Terms with a Registered Provider.

- 4.6. On the 28th February 2023 a reserved matters application was submitted to the Local Planning Authority in the joint names of Tarka Living Ltd and North Devon Council.
- 4.7. A plan has been received identifying the location of the 30% affordable housing and the tenure split.
- 4.8. Evidence of agreed Heads of Terms with Live West (the identified social provider) has been provided.
- 4.9. Following compliance with these conditions, the Agreement went unconditional on the 28rd February 2023. For the terms of the funding agreement with Central Government this met the definition of 'land released' and within their agreed programme.
- 4.10. The first lease was then granted 20 working days after the unconditional agreement. The first lease constituted the old leisure centre and short stay car park. The first payment to the Council was also received.
- 4.11. Prior to the commencement of the enabling works the Development Agreement required a Compliance Inspector to be appointed for the enabling works and evidence of funding to be provided. This was provided and agreed in advance of the enabling works start date of the 28th March 2023.
- 4.12. The enabling works have commenced in the form of site clearance works on the proposed car park site. These have been done under the watching brief of TLL's ecologist.
- 4.13. A Joint Delivery Board has been established for the project (comprising 3 officer's from the Council and 3 from the Development Partner), which currently meets bi-weekly to map the progress of the project.
- 4.14. It had been hoped that the new car park site would be ready for this September but this will no longer be the case. The design of the car park is reaching RIBA Stage 4 and the contractor is about to be appointed but there is insufficient time for this site to be ready for this year's fair. As such, the Fair will remain on the existing site for 2023 and both Barnstaple Town Council and the Showmen's Guild has been notified; a meeting has been set up on site to discuss this with them further.
- 4.15. The JCT Design and Build contract for the car park has yet to be entered into as details are being finalised, together with the Contractor's proposals.
- 4.16. A contract has been entered into for the demolition works to the old leisure centre.
- 4.17. The works to the flood defences are in design and we await a programme for those.
- 4.18. Notwithstanding the Fair remaining on site for this year, we need to enter into a new license with Barnstaple Town Council for the future and in advance of Lease 2 being entered into (the remainder of the site).
- 4.19. On 29th March 2021, at its meeting, Barnstaple Town Council declared that subject to detailed specification that the new proposed site was a

suitable alternative for the Barnstaple Ancient Fair in line with the plan at Appendix B. This allowed for the procurement for a development partner to commence.

- 4.20. The Barnstaple Ancient Fair is held in Barnstaple annually on the days and in the manner set aside in that respect in the Barnstaple Market Act 1852, namely the Wednesday preceding the 20th day of September in every year, and the Thursday and Friday next following together with the pleasure fair held on the Saturday morning.
- 4.21. Negotiations have been taking place with Barnstaple Town Council for the new licence. The agreed term is for a period of 25 years with a review clause. The period of occupation within the licence is from 00:01 hours on the Sunday preceding the Barnstaple Fair to 23:59 on the Sunday following the Barnstaple Fair.
- 4.22. The licence fee is based against the loss of income from the car parks occupied by the Fair.
- 4.23. At Barnstaple Town Council's (BTC) request, the termination clause remains the same as the existing licence which is as follows:
- 4.23.1. NDC can give immediate notice for BTC breach of licence terms
- 4.23.2. BTC can give 6 months' notice if they wish
- 4.23.3. NDC can give immediate notice if premises are unsuitable, NDC to use best endeavours to provide alternative premises
- 4.23.4. NDC to give 6 months notice if NDC needs the premises for development and in such circumstances NDC will provide alternative premises for the BTC's use
- 4.24. It should be noted at present that there is not any alternative site in NDC's control and this is what we propose to construct. The drafting includes best endeavours and this carries a burden. However the relocation of the fair opens the existing site up for development.
- 4.25. Officers are seeking delegated powers to negotiate and finalise the terms and enter into the licence with Barnstaple Town Council on the basis set out in this report.
- 4.26. Within the Development Agreement there is an obligation on the Development Partner to take out an environmental insurance policy. A draft policy has been received and this is currently being considered. A separate report later in this agenda considers further insurance cover the Council may want to take out to enhance that already being provided by the developer.
- 4.27. Following the submission of the reserved matters application, a number of queries have arisen as part of the consultation process, as is common for a major planning application. In May 2023, TLL and your officer's met with NDC Planners and amended drawings are being designed to address the concerns raised. This reserved matters application will be determined by Planning Committee.

- 4.28. The current programme shows a residential start date in the Development Agreement of November 2023. It is anticipated that this will be delayed given the status of the enabling works but we await a revised programme.
- 4.29. The residential development will be delivered in 4 phases and the freehold transfer of each phase will occur when the last dwelling in that phase and all associated works have reached golden brick stage.
- 4.30. Further reports will be brought to members to update on progress of this scheme.

5. RESOURCE IMPLICATIONS

- 5.1. The project team includes officers from the Programme Management Office, Place, Property and Regeneration, Finance and Legal to continue to see this project to fruition.

6. EQUALITIES ASSESSMENT

- 6.1. An Equality Impact Assessment (EIA) has been completed for this project but will be updated.

7. ENVIRONMENTAL ASSESSMENT

- 7.1. This project predates this requirement but does have environmental implications which have been taken into account both throughout the project, the procurement of a delivery partner and through the planning process, which included the submission of an Environmental Impact Assessment carried out by RMA Environmental. The project team will complete an Environmental Assessment.

8. CORPORATE PRIORITIES

- 8.1. What impact, positive or negative, does the subject of this report have on:
- 8.1.1. The commercialisation agenda: The project has generated a small capital receipt but also incorporates the demolition of the old leisure centre, builds the flood defences and provides a new, purpose built car park; all of which would have been a cost to the Council. The Council will also benefit from ongoing taxation income from the residential properties on the site.
- 8.1.2. Improving customer focus – this regeneration project will benefit the area for our communities.
- 8.1.3. Regeneration or economic development – this scheme will enhance this river front location.



9. CONSTITUTIONAL CONTEXT

9.1. Part 3 Annexe 1, Paragraph 1

10. STATEMENT OF CONFIDENTIALITY

This report contains no confidential information or exempt information under the provisions of Schedule 12A of 1972 Act.

11. BACKGROUND PAPERS

The following background papers were used in the preparation of this report:

- One Public Estate Phase 6 – Devon and Torbay OPE Partnership – OPE and LRF Project Templates.
- Planning application documents
- Development Agreement and associated legal agreements

12. STATEMENT OF INTERNAL ADVICE

The author (below) confirms that advice has been taken from all appropriate Councillors and Officers: Sarah-Jane Mackenzie-Shapland, Head of Place, Property and Regeneration