

REPORT TO: STRATEGY AND RESOURCES

Date: 1st September 2020

TOPIC: SEVEN BRETHERN – AGREEING A WAY FORWARD

REPORT BY: HEAD OF PLACE / REGENERATION MANAGER

1 INTRODUCTION

- 1.1 In November 2017 North Devon Council were awarded £2.2 million of Land Release Fund to help bring forward 245 residential units at Seven Brethren, Barnstaple. £1 million was secured towards highway junction improvements and £1.2 million towards delivering flood defences/raising of site levels. We have now received all of the monies. Approximately £175,000 has been spent, with the agreement of the Local Government Association (LGA), on preparing a hybrid planning application for this scheme.
- 1.2 The funding awarded cannot be used for any other site.
- 1.3 The Land Release Fund is a government initiative to assist in unlocking sites and accelerating the delivery of housing. The Fund expects this land to be released for housing no later than December 2020. Securing a delivery partner is one of the definitions of 'land release' for the purposes of this fund.
- 1.4 In August 2018 a report was taken to Executive seeking member approval to use the Homes England 'delivery partner panel' to secure a delivery partner for this site. We went through a detailed tender process but were unable to secure a partner in this way.
- 1.5 In November 2019 a report was taken to Strategy and Resources Committee and members resolved that the Chief Executive be authorised to use an alternative method of bringing forward this site for development, should use of the Homes England 'delivery partner panel' prove unsuccessful.
- 1.6 Prior to Covid 19, we were preparing to go back out to the whole of market to secure a delivery partner (rather than restricting ourselves to those on the Homes England panel) and Homes England were separately marketing their two sites in Barnstaple. We did not commence the procurement process.
- 1.7 Prior to Covid 19, the hybrid planning application for up to 245 homes, replacement of the long stay car park and temporary toleration site had been uploaded to the planning portal but was not submitted.

2 RECOMMENDATIONS

- 2.1 Option 1 - Members confirm they wish to proceed with the submission of a planning application and to procure a delivery partner for residential development on the Seven Brethren site, in line with the funding requirements of the Land Release Fund.
- 2.2 Option 2 – Members confirm that housing is no longer considered the right solution for Seven Brethren or that the housing numbers required by the Land Release Fund (LRF) are too high and alternatives should be investigated. This will require the return of the remaining LRF funding.

3 REASONS FOR RECOMMENDATIONS

- 3.1 In light of the economic impacts of Covid 19 it is considered necessary to sense check previous decisions and confirm the way forward for this site.
- 3.2 The funding timetable for this project is very stringent. We will need to move forward with a re-procurement process immediately if we are to meet LRF funding requirements.

4 REPORT

- 4.1 This report has been brought forward in order to allow a re-evaluation by members of the plans for the residential development of the Seven Brethren site in Barnstaple. Covid 19 has disrupted the economy, which is officially now in recession, and the negative impact of the pandemic is likely to continue for many years. Covid 19 triggered a temporary halt to development and the housing market. Whilst the Seven Brethren site is likely to be impacted no more or less than other residential developments opportunities it has taken considerable time to bring it to this point and the first detailed tender process using the Homes England delivery partner panel was unsuccessful.
- 4.2 The timeline for progressing this project is now pressing if the Land Release Fund grant is to be utilised, therefore, officers are seeking members' endorsement to pursue the existing scheme. There has been insufficient time to allow examination of alternatives to the existing proposals. The emerging Barnstaple Town Centre Vision does not propose any alternative uses for the site.

Background

- 4.3 Proposals for development of a new leisure centre on Seven Brethren provided the Council with the opportunity to regenerate the site of the existing centre and adjacent areas and deliver a high quality residential scheme on this prominent riverside site, close to the town centre. The replacement leisure centre build has been approved by the Council and has planning permission. The build of the new leisure centre is due to start on site in September 2020 with an 18 month build programme. The existing leisure centre would be vacated upon opening of the new centre.

- 4.4 The Land Release Fund (LRF) is a government initiative managed by the Local Government Association to assist in unlocking sites and accelerating the delivery of housing. In November 2017 North Devon Council were awarded £2.2 million of LRF to help bring forward 245 residential units on the site. £1 million was secured towards highway junction improvements and £1.2 million towards delivering flood defences/raising of site levels although some flexibility may be afforded in this regard.
- 4.5 The Fund expects this land to be released for housing no later than December 2020. Securing a delivery partner is one of the definitions of 'land release' for the purposes of this fund.
- 4.6 In August 2018 a report was taken to Executive seeking member approval to use the Homes England 'delivery partner panel' to secure a delivery partner for this site. We went through a detailed tender process but were unable to secure a partner in this way.
- 4.7 In November 2019 a report was taken to Strategy and Resources Committee and members resolved that the Chief Executive be authorised to use an alternative method of bringing forward this site for development, should use of the Homes England 'delivery partner panel' prove unsuccessful.
- 4.8 A hybrid planning application (part outline/part full planning application) has been prepared and awaits submission on the planning portal. £175k has been spent of the £2.2 million in preparing this planning application. The housing site includes the remainder of the events area not occupied by the new leisure centre, the long and short stay car parks, the site of the existing leisure centre and the existing toleration site for gypsy and travellers. The application also includes land adjacent to the new AGP pitch to provide a replacement long stay car park and replacement temporary gypsy and travellers toleration site. This has taken some time as the development required an Environmental Impact Assessment. Following member and public consultation on the proposals the scheme that has been prepared identifies the delivery of 227 homes – a mixture of apartments and 3 storey town houses. The indicative masterplan and design and access statement are appended to this report.
- 4.9 The application would replace the long stay car parking spaces on a like for like basis. The Council are in ongoing discussions with the Fair but the proposed long stay car park and events area (temporary toleration site) has been designed to accommodate the loading requirements of the Fair and to ensure no unnecessary obstacles that would further hamper its use.
- 4.10 The planning application was due to be submitted in March 2020 but was held back in light of the Covid 19 pandemic. Likewise we were preparing to go back out to the whole of market to secure a delivery partner (rather than restricting ourselves to those on the Homes England panel) and Homes England were separately marketing their two sites in Barnstaple. We did not commence the procurement process.

- 4.11 The Local Government Association have acknowledged the impact of Covid 19 and will work with us to ensure land release and delivery of these homes. The land release date has been extended until December 2020 and it is likely that this can be extended to the end of March 2021. The LGA are aware that we are very unlikely to meet December 2020.
- 4.12 The LGA have confirmed that we cannot transfer the fund to any other project i.e. it either has to be spent at Seven Brethren or we must pay the money back.
- 4.13 It is now necessary for us to determine how we proceed on Seven Brethren.

There are two key options:

- Option 1 - We proceed as planned, submit the planning application and go to the market to secure a delivery partner for the site (or another means of delivering the development).
 - Option 2 - We no longer consider housing is the right solution for Seven Brethren or that the housing numbers required by the Land Release Fund (LRF) are too high and alternatives should be investigated. This will require the return of the remaining LRF funding. A separate project considering options for this site would need to be set up.
- 4.14 Option 1 – Risk - Should members agree that we go back to market there is no guarantee that we will secure a delivery partner for this site or that we will receive a capital receipt; however, in a pre Covid 19 scenario, our consultants who were advising us during the procurement process considered that we should be able to at least ‘break even’. The one tender return we received previously was not viable. In this scenario we may still have to return the remaining LRF monies.
- 4.15 Option 2 - Should members resolve that we do not progress with the existing scheme and return the LRF funding we need to consider the future for this site, including the existing leisure centre building, which was to be demolished as part of the site preparation for residential development. The demolition of the existing leisure centre is not being carried out as part of the new leisure centre project. It is likely external expertise would be needed to assist with this.

5 RESOURCE IMPLICATIONS

- 5.1 Internal resource will be required from Economic Development, the Property Team, Legal, the Project and Procurement Officer and Planning.
- 5.2 We need to fund the planning application.
- 5.3 It is likely that we will need some specialist advice to assist us in selecting the appropriate development partner or an options paper for the future of this site.

6 EQUALITIES ASSESSMENT

- 6.1 An Equality Impact Assessment Summary form has been completed for this project and this report does not affect its conclusions. The report has been updated confirming this.

7 CONSTITUTIONAL CONTEXT

Article or Appendix and paragraph	Referred or delegated power?
Part 3. Annexe 1 (b) and (d)	Delegated Power

8 STATEMENT OF CONFIDENTIALITY

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

9 BACKGROUND PAPERS

- 9.1 The following background papers were used in the preparation of this report:
- o Homes England – Legal papers
 - o One Public Estate Phase 6 – Devon and Torbay OPE Partnership – OPE and LRF Project Templates.
 - o Planning application documents

These background papers are available for inspection and kept by the author of the report.

10 STATEMENT OF INTERNAL ADVICE

- 10.1 The author (below) confirms that advice has been taken from all appropriate Councillors and Officers.

Author: Regeneration Manager - SarahJane Mackenzie-Shapland
Date: 12th August 2020