

Agenda Item 8

REPORT TO: Southport Area Committee

DATE: 2nd September 2009

SUBJECT: Kew Redevelopment, Town Lane, Southport – Progress update

WARDS AFFECTED: Kew

REPORT OF: Alan Moore – Strategic Director of Regeneration
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**EXEMPT/
CONFIDENTIAL:** No

PURPOSE/SUMMARY:

To update Members on progress following reports to Cabinet Members for Regeneration, Technical Services, Communities and to Planning Committee in April 2009.

REASON WHY DECISION REQUIRED:

RECOMMENDATION(S):

It is recommended that the Area Committee note:

- the progress being made and legal agreement with David Wilson Homes (DWH who are part of Barratts Developments PLC)
- the preparation and agreement of the scoping report for the Site Investigation
- decisions made by the HCA relating to the funding of Site Investigations
- the requirement for further reports to update Area Committee in due course.

KEY DECISION: No

FORWARD PLAN: N/A

IMPLEMENTATION DATE: Following the call in period for the Minutes of this meeting.

ALTERNATIVE OPTIONS:

IMPLICATIONS:

Budget/Policy Framework:

Agenda Item 8

- Financial:** There will be financial implications arising out of this scheme, however these are not quantifiable at this stage. As the scheme develops forthcoming reports will be presented to Members outlining these implications.
- Legal:** There are no direct legal implications arising out of this report.
- Risk Assessment:** The legal agreements are structured to minimise the risks to the Council as the development proceeds.
- Asset Management:** The proposed development represents a good use of Council Assets in order to contribute towards delivering key Council objectives

CONSULTATION UNDERTAKEN/VIEWS

FD 135 – THE FINANCE DIRECTOR HAS BEEN CONSULTED AND HIS COMMENTS HAVE BEEN INCORPORATED INTO THIS REPORT.
 PLANNING AND ECONOMIC REGENERATION,
 TECHNICAL SERVICES.
 ENVIRONMENTAL PROTECTION
 HEALTH AND SOCIAL CARE

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		✓	
2	Creating Safe Communities		✓	
3	Jobs and Prosperity	✓		
4	Improving Health and Well-Being		✓	
5	Environmental Sustainability	✓		
6	Creating Inclusive Communities	✓	✓	
7	Improving the Quality of Council Services and Strengthening local Democracy	✓		
8	Children and Young People		✓	

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

None

1.0 Background

The land at Kew is the largest development site in the north of Sefton and has been identified by the Council as a unique opportunity to create a high quality environment in which to live and work (Plan attached as Appendix A). The land is allocated for housing and business/light industrial purposes in the adopted Sefton Unitary Development Plan. The release of this land for housing and employment purposes will make a significant contribution to the demand for both affordable (i.e. over 50% of the Borough's 12,000 unit affordable housing need is in Southport) and private housing in this part of the Borough and help to meet the local demand for commercial property. .

Due to the pressures for both new affordable housing and also high quality commercial space in Southport, the Council decided it was appropriate to appoint a developer for the site, and consequently at its Cabinet meeting on 1st November 2007 approved the selection process for the appointment of a Developer Partner to create an extended Southport Business Park and also for the adjacent housing site. On 2nd October 2008 David Wilson Homes - Barratt Developments PLC (DWH) was confirmed by Cabinet as the preferred developer partner.

The indicative DWH scheme involves 437 private houses for sale and 237 affordable homes (approximately 35% of the total) with the development of the balance of the adjacent business park for suitable business (use classes B1) uses. Linked to a shrinking housing land supply situation, the importance of the Kew site, by far the largest residential site in Southport, cannot be overstated. The Council would also be looking at some of this provision to be in the form of Extra Care Housing to meet some of the specific needs of Southport.

2.0 Current Position

2.1 Legal Issues

Since last reported to Members, the Council have continued negotiations with DWH on the precise nature of the legal agreement to be entered into. It has now been agreed between the two parties that the most appropriate agreement will be an exclusivity agreement combined with a licence to enter the site to carry out the site investigations. The Legal Director has drafted an agreement and DWH solicitors are now considering this agreement. It is expected that this agreement will be in place by September 2009.

2.2 Contamination and Remediation

When the property market collapsed late in 2008, DWH considered that they might not be able to proceed with the necessary site investigations at risk and sought support from the Council to underwrite these costs at an anticipated cost of £560,000. The Council agreed to do this via support for an application to the Homes and Communities Agency (HCA) for assistance. When the HCA announced their "kick-start programme" to rejuvenate the property market it was thought that this programme could be one that may be appropriate for supporting Sefton's request for these funds.

Agenda Item 8

However, the conditions applicable to the “kick start” grant were very restrictive (eg sites must have detailed planning consent or be able to achieve detailed consent by September 2009) and for this reason a detailed application for support under this programme could not be made.

DWH, however, feel that market conditions have now stabilised sufficiently for them to forward fund the site investigation costs and the Council, through the Environmental Protection Director, has been in discussion with DWH’s Environmental Consultants, Hydrock, to define the scope of the site investigations required for the site. Hydrock are also on Sefton Council’s framework panel for this type of work and are familiar with the required standards.

The scoping report has now been agreed and subject to completion of DWH’s Legal Agreement with Sefton Council and clarification of some minor technical points which Hydrock have confirmed will be resolved before commencement of the SI works, DWH will be in a position to instruct Hydrock to commence the site investigations.

The estimated cost of the site investigations still remains at £560,000 as reported previously.

These site investigations will clarify the extent of the remediation required and the associated cost implications. This will allow the Council to plan an effective residential development strategy for the site.

Subject to a satisfactory site investigation report that enables a viable development scheme to be prepared, the costs of the SI’s will be an allowable development cost recoverable as part of the scheme. Should the site be determined as being unviable for housing development as a result of the information determined from the SI’s, DWH will be reimbursed for the SI costs by any future developer for the site.

2.3 Programme of Development

Whilst it is the completion of the site investigations that will be the most critical element in the process in determining progression to the next stages in the development of this site, it is still possible to put an indicative programme together. The programme detailed below has been prepared in discussion with DWH and has been designed to show the latest predicted timetable:-

Legal Agreement	1 month
Site Investigations	12 months
Interpretation/planning	3 months
Remediation	10 months
Infrastructure	4 months
Construction to availability	4 months
Total duration	34 Months

Using this timing and taking a start date from September 2009, the first properties to be available for occupation may be expected to be available by July 2012.

3. Conclusion

Members are asked to note the content of the report and receive further update reports in due course.

Agenda Item 8

APPENDIX A

