

**This report supercedes the version that was circulated with the original agenda published on 08/12/2014**

**EXECUTIVE BOARD – 16 DECEMBER 2014**

<b>Subject:</b>	Island Site development		
<b>Corporate Director(s)/ Director(s):</b>	David Bishop, Deputy Chief Executive/Corporate Director for Development and Growth		
<b>Portfolio Holder(s):</b>	Councillor Jon Collins, Leader/Portfolio Holder for Strategic Regeneration and Schools		
<b>Report author and contact details:</b>	Anthony Everitt, Senior Regeneration Officer 0115 8764869 <a href="mailto:Anthony.everitt@nottinghamcity.gov.uk">Anthony.everitt@nottinghamcity.gov.uk</a>		
<b>Key Decision</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>Subject to call-in</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
<b>Reasons:</b> <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision	<input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital		
Significant impact on communities living or working in two or more wards in the City	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>Total value of the decision:</b> Up to £75,000. Decisions on land purchase values will be via a future decision			
<b>Wards affected:</b> Dales Ward and wider city as this is a significant and strategic regeneration site	<b>Date of consultation with Portfolio Holder(s):</b> Ongoing		
<b>Relevant Council Plan Strategic Priority:</b>			
Cutting unemployment by a quarter			<input checked="" type="checkbox"/>
Cut crime and anti-social behaviour			<input checked="" type="checkbox"/>
Ensure more school leavers get a job, training or further education than any other City			<input checked="" type="checkbox"/>
Your neighbourhood as clean as the City Centre			<input type="checkbox"/>
Help keep your energy bills down			<input type="checkbox"/>
Good access to public transport			<input type="checkbox"/>
Nottingham has a good mix of housing			<input checked="" type="checkbox"/>
Nottingham is a good place to do business, invest and create jobs			<input checked="" type="checkbox"/>
Nottingham offers a wide range of leisure activities, parks and sporting events			<input type="checkbox"/>
Support early intervention activities			<input type="checkbox"/>
Deliver effective, value for money services to our citizens			<input type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b> The Island Site has been left undeveloped and some of the older buildings left derelict. The site is identified as a strategic regeneration site and central to the growth aspirations of the City. Despite providing support and encouraging development the owner of the site has not made any meaningful progress toward developing the site and the Planning Permission granted in 2008 has now lapsed. It is now proposed that the Council commences all available statutory processes (including Compulsory Purchase Order (CPO) powers) immediately to gain ownership of the site to enable development of this crucial site to progress.			
<b>Exempt information:</b> None			
<b>Recommendation(s): It is recommended that Executive Board:</b>			
<b>1</b> Delegate authority to the Deputy Chief Executive/Corporate Director for Development and Growth to commence the CPO process, to gain ownership and to bring forward development of the site for housing and employment purposes.			
<b>2</b> Authorise Officers to instigate enforcement actions with regards the disrepair of the Northern			

	Warehouse listed building
<b>3</b>	To approve that officers continue with conventional negotiations to seek to secure the right to purchase the Island Site.
<b>4</b>	To approve an initial budget of up to £75,000 to cover the professional fees associated with the statutory processes and delegate authority to the Deputy Chief Executive/Corporate Director for Development and Growth, in consultation with the Leader/Portfolio Holder for Strategic Regeneration and Schools, to procure and appoint external advisors necessary for the statutory processes.
<b>5</b>	To approve that, once negotiations and valuations are concluded, a full Business Case for the purchase of the site, either at the negotiated value or using Compulsory Purchase powers, is completed for consideration and decision by the Executive Board.

## **1 REASONS FOR RECOMMENDATIONS**

- 1.1 The development of the Island Site is aligned to several strategic priorities of the Council. Unless the Council takes decisive action then development of the site may never happen.

## **2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

- 2.1 The Island Site is a brownfield site comprising over 26 acres of land. The Island Site has been left undeveloped and some of the older buildings left derelict. Over the past decade the site has been neglected with no meaningful physical development taking place. The site has attracted anti-social behaviour including drug use and rough sleeping, and tragically human remains have even been found in the derelict buildings. The Council has had on occasions to inform the owner to improve the security of the site and remove unsightly littering. An inspection of the listed building has highlighted several years of neglect and in the face of continued lack of action by the site owner it is now proposed that enforcement action commences to ensure improvements are secured.
- 2.2 The site is a strategic regeneration site that is identified in the Local Plan and Nottingham Growth plan as central to the growth aspirations of the City. Not moving development forward on this site is seen as having a negative impact on the reputation of the City (given its high visibility) and missing the opportunity to facilitate growth in employment and homes.
- 2.3 The Council has attempted to support the land owner in delivering development; the Council granted a planning permission for a comprehensive redevelopment scheme in 2008 and has since engaged with the land owner to encourage moving the plans forward. Despite these efforts development has not moved forward. The Planning Permission granted in 2008 has since lapsed.
- 2.4 More recently the site has been advertised for sale and the Council has expressed its interest in buying the site. The Council will continue negotiating through this channel to secure the asset, but is not confident that this process will lead to any transaction occurring and leading to meaningful progress. It is therefore proposed that the Council now commences all necessary statutory processes, including CPO, necessary to gain ownership of the site and make development happen.
- 2.5 There are a number of physical barriers to development that will need to be addressed to allow development to take place. These include historic contamination of the site, gas pipes, district heating network pipes and a trunk

sewer running through the site. Also flood risk issues. Some of this is well understood but further investigations will be necessary in due course to be completely clear about costs of overcoming them all.

- 2.6 Despite these barriers initial discussions have confirmed that there are developer partners willing and capable of moving development forward on this site. However, the major barrier to this is the ownership of the site.
- 2.7 Valuations have been instructed so that prior to completing the purchase of the site, Officers can complete a Full Business Case for consideration by the Executive Board. Early Business Case assessments show that, aside from the significant regeneration benefits to the City, the potential benefits to the City Council (Business Rates uplift, New Homes Bonus and potential development profits) could well justify the Council investing in the purchase of the site. Nevertheless the merits of the Business Case will enable the necessary formal decisions to be made as to whether to complete in due course.

### **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

- 3.1 Doing nothing and giving the current owner more time to move forward development or dispose of the site to a third party was rejected as there is no evidence that this would result in any positive progress.
- 3.2 Working in partnership with the current owner was rejected as the Council has historically been supportive of the owner's attempts at moving forward development and the lack of progress on both the Island Site and neglect of other sites in the City managed by the same party have resulted in the Council believing this is not a viable option.

### **4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)**

- 4.1 There is currently no provision within the existing capital programme for this development. The progression of this scheme will be dependent on the Business Case, which will be subject to full due diligence prior to formal approval.
- 4.2 Initial funds of £75,000 are required to cover the preliminary professional fees associated with the statutory processes. This can be funded from existing funds set aside to support the feasibility of capital regeneration schemes. The intention is to recoup the investment through the future sale/development profits of the Island Site. A detailed business case will be established to evidence this. If a business case can not be established to see a return on the investment then this money would not be recouped and would be a cost to the Council.
- 4.3 A further report seeking the Executive Board's approval for the purchase of the site, via negotiation or CPO, will be provided in the future.

### **5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)**

- 5.1 The Council will seek legal advice with regards the negotiations on purchasing the site and the use of CPO powers if these are required. The risks will be outlined in the Full Business Case to be prepared.

5.2 The Council has the power to acquire this site by agreement or, if other options fail, compulsorily under section 226 of the Town and Country Planning Act 1990 for Development or Planning Purposes.

## **6 SOCIAL VALUE CONSIDERATIONS**

6.1 The site is currently attracting anti-social behaviour and blighting the East Side area. Intervention will seek to address this as well as creating employment and housing opportunities for the benefit of Nottingham City citizens and businesses.

## **7 REGARD TO THE NHS CONSTITUTION**

7.1 N/A

## **8 EQUALITY IMPACT ASSESSMENT (EIA)**

Has the equality impact been assessed?

- (a) not needed (report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council)
- (b) No
- (c) Yes – Equality Impact Assessment attached

The Equality Impact Assessment will be part of the Full Business Case with regards the purchase of the Island Site.

## **9 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)**

9.1 None

## **10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT**

10.1 None

## **11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

Ann Barrett; Legal Services; ann.barrett@nottinghamcity.gov.uk

Theresa Channell; Head of Corporate and Strategic Finance; theresa.channell@nottinghamcity.gov.uk