

**STROUD DISTRICT COUNCIL**  
**STRATEGY AND RESOURCES COMMITTEE**

**AGENDA  
ITEM NO**

**7 MARCH 2019**

**7**

<b>Report Title</b>	<b>LAND AT MAY LANE/ PROSPECT PLACE, DURSLEY</b>
<b>Purpose of Report</b>	To present a proposal for a town centre regeneration scheme at May Lane / Prospect Place, Dursley
<b>Decision(s)</b>	<p><b>Committee RESOLVES to:</b></p> <p><b>(1) Allocate a £50,000 budget for technical investigations and property and procurement advisers to confirm the level of viability, the procurement approach and the extent of property to be acquired at May Lane/Prospect Place, Dursley and</b></p> <p><b>(2) Instruct the Head of Property Services to return to this committee with a report on a delivery strategy for a residential led, town centre regeneration scheme at May Lane/Prospect Place, Dursley</b></p>
<b>Consultation and Feedback</b>	The principle of redeveloping land at May Lane and back land behind Parsonage Street has been discussed widely (see previous committee reports). Dursley Town Council and Ward councillors want to see this area redeveloped for social and market housing. A planning application involving this land was submitted by a 3 <sup>rd</sup> party in 2016 and drew generally neutral public comments.
<b>Financial Implications and Risk Assessment</b>	<p>This report looks to allocate £50k for initial considerations of viability into a potential regeneration scheme.</p> <p>The expenditure proposed is of a revenue nature and suitable funding can be allocated from within the Council's reserves to support the project.</p> <p>If a viable scheme is developed consideration may be given to restoring the initial funding to the Council's reserves when later returns are realised.</p> <p>Any future capital scheme related to this project will be developed in line with the Council's Capital Strategy.</p> <p>Andrew Cummings, Head of Finance &amp; Section 151 Officer  Tel: 01453-754115  Email: <a href="mailto:andrew.cummings@stroud.gov.uk">andrew.cummings@stroud.gov.uk</a></p>

<b>Legal Implications</b>	<p>This report is only seeking to implement Phase 1 which will need to be done in accordance with the Council's Contract and Procurement Procedure Rules. Further legal implications (particularly in regards to any compulsory purchase order) will need to be considered when the Feasibility and Delivery Strategy is returned to this committee.</p> <p>Craig Hallett, Solicitor &amp; Acting Monitoring Officer Tel: 01453 754364 Email: <a href="mailto:craig.hallett@stroud.gov.uk">craig.hallett@stroud.gov.uk</a></p>
<b>Report Author</b>	<p>Nick Stewart, Principal Estates Surveyor Tel 01453 754437 Email: <a href="mailto:nick.stewart@stroud.gov.uk">nick.stewart@stroud.gov.uk</a></p> <p>Alison Fisk, Head of Property Services Tel: 01453 754430 Email: <a href="mailto:alison.fisk@stroud.gov.uk">alison.fisk@stroud.gov.uk</a></p>
<b>Options</b>	<ol style="list-style-type: none"> <li>1. Implement a town-centre redevelopment scheme either in an enabling role or directly</li> <li>2. Sell/develop the Council's property at 11/11a and the former Electric Garage, May Lane for a scheme of 3-4 houses.</li> </ol>
<b>Performance Management Follow Up</b>	<ol style="list-style-type: none"> <li>1. Investment &amp; Development Panel – review of studies by December 2019</li> <li>2. Strategy &amp; Resources Committee – approval to proceed with CPO and development scheme March 2020</li> </ol>
<b>Appendix</b>	Appendix A – Ownerships' plan

## 1. BACKGROUND

- 1.1 The Council has owned the properties and adjacent access road at 11/11A May Lane, Dursley for many years (see Appendix A), acquiring them as potential access to the site for a proposed town supermarket (subsequently built and now operating in Parsonage Street). The property has been earmarked for various uses during this time but none have come to fruition but it still provides the entrance to a derelict area at Prospect Place. This development site has been unsuccessfully promoted for housing by private landowners since 2012.
- 1.2 In December 2013 Strategy and Resources Committee resolved to sell 11/11A May Lane for social housing or on the open market, however, because of the emerging potential of the land at Prospect Place this was not enacted and discussions have taken place with the principal landowners with officers keeping a 'watching brief' on the site.
- 1.3 The owner of the property adjacent to 11/11A the former "Electric Garage" promoted their site for redevelopment and secured planning permission to convert it into 2 dwellings in 2016. Had this development proceeded it would have prevented access into the larger backland site. To provide a comprehensive development with 11/11A May Lane and because of its location, the Council acquired this property in 2017.

- 1.4 A large planning application was made by one of the private landowners in 2016 for 16 dwellings and 3 business units on the derelict land and (including the Council's property). This was withdrawn due to technical and ownership complexities. The same problems will face any developer who is unable to acquire all the necessary ownerships. Currently there is no planning permission to redevelop the backland.
- 1.5 Whilst discussions have taken place with the principal landowners at Prospect Place, it has not been possible to reach any agreement which would enable a comprehensive development scheme. The complexity of assembling multiple ownerships means the derelict land will only be redeveloped if coordinated by a promoter not only with resources but also with compulsory purchase powers.

## **2. ISSUES FOR CONSIDERATION**

- 2.1 A decision needs to be made on how the council wishes to proceed because 11/11A is derelict, has structural problems and continues to deteriorate, creating an eyesore and underutilised asset.
- 2.2 The Council's property could be developed;
  - a) on its own but maximising housing on the site, potentially preventing any future development of the site at Prospect Place
  - b) on its own, keeping a ransom strip to give wider access for an eventual larger backland development or
  - c) it could be used and developed as part of a larger regeneration scheme for the town with this Council taking the enabling role.
- 2.3 There is support for a comprehensive redevelopment scheme here both from the Town Council and ward members.
- 2.4 Preliminary work and previous planning applications indicate that there is sufficient merit in the location and clear potential to make a housing project here return a positive value. Technical studies, surveys and valuation appraisals will be required to confirm the extent of this viability.
- 2.5 A redevelopment scheme will involve over 20 land interests and many more individuals. It has not been possible to agree a disposal with the 6 principal landowners and they have not been able to promote a scheme themselves or individually in the last 6 years. It is apparent that delivering a project with these challenges will only be happen by using compulsory purchase powers.
- 2.6 If the Council wished to consider the site as part of the new build programme it would need to be appropriated into the Housing Revenue Account.

### **3. Proposal**

- 3.1 It is proposed to adopt a similar approach to that being taken for Brimscombe Port.
- 3.2 The project could be developed by a Registered Provider, a commercial developer or the Council as a new build scheme particularly now that the borrowing cap on the Housing Revenue Account has recently been lifted. There are merits to each e.g. quantity of social housing, capital receipt, capability, completion time, and differing funding requirements. Development agreement options for the Council include acting purely as enabler (with a back to back agreement with a developer), joint ventures or a Council built scheme. These options would be assessed in Phase 1.
- 3.3 Phase 1 – Feasibility and Delivery Strategy This will determine ownerships, scheme designs, ground/land/utility surveys, development appraisals, and soft market testing and delivery options. This will guide the nature of the redevelopment, type of partner and amount of affordable housing and show if this could be a Council new build scheme and give costings for Phase 2. The findings would then be reported to this Committee and are anticipated to cost up to £50,000, before the Council proceeded any further.
- 3.4 Phase 2 - Procurement The developer/ development partner is selected, development agreement created if required, CPO resolution made and land acquisition starts. Funding approval would be required if the Council wishes to develop the scheme. The planning application can be made before all the land is acquired. This phase would culminate in a CPO being confirmed and final land acquisitions made.
- 3.5 Phase 3 - Delivery: Finalises design of the scheme, construction procurement and then start of the development.
- 3.6 The investment to enable the project will be recovered from, variously, sale of the Council's landholdings, delivery of social housing and the profit share from the development agreement. Construction could start by late 2021.

### **4. RECOMMENDATION**

- 4.1 This is a derelict, underused area in the centre of Dursley which cannot be redeveloped without compulsory powers. The site should accommodate at least 12-15 homes, potentially more, subject to detailed information. The project would create new homes, commercial and social activity and is supported by key stakeholders.
- 4.2 It is recommended that Phase 1 of the project is funded to produce a delivery strategy for committee to review at a future meeting.